

NEWS SUMMARY

GENERAL

German Interior Minister resigns

Herr Werner Maehoefer, West Germany's Interior Minister, resigned yesterday, taking responsibility for errors in the hunt last year for the kidnappers of Dr. Hanns-Martin Schleyer, the industrialist.

His action comes two days after his Free Democratic Party suffered a severe setback in provincial elections. Herr Maehoefer's misfortune in office are felt to have contributed to his party's reversal. Back Page

Police in West Germany have claimed their first success in the hunt for the gang which freed an urban guerrilla from jail ten days ago. They have seized a 24-year-old man believed linked with the gang.

Three terrorists, one a woman, shot dead a jail warden in a street in the Italian town of Udine. In Rome, three more suspected urban guerrillas were charged with complicity in the kidnapping and murder of Sig. Aldo Moro, the former Premier, taking the number charged to nine. Page 3

The U.S. is preparing to fly troops from Gabon and Senegal to join the Moroccan force sent to defend Zaire's Shaba province against any further rebel invasion. President Kamukama Zaire has made a surprise visit to Zaire, for talks with President Mobutu, who has accused the Zambian leader of allowing rebels to pass through his territory. Page 4

Britain and the U.S. are expected to propose a five-year ban on all nuclear testing in negotiations with the Soviet Union in Geneva this week. They hope to speed up the long-running Geneva talks at which the three Governments are seeking to draw up a comprehensive test ban treaty. Page 4

Desai in London

Mr. Morarji Desai, Indian Prime Minister, has arrived in Britain on a three-day visit, during which he will have talks on trade, race relations and nuclear energy. Defending his government's performance in its 14 months in office, he said India had come out of a nightmare into the clear light of the rule of law.

Slow recovery

Princess Margaret is making a slow recovery from her illness and her doctors have advised her to undertake a strictly limited number of public engagements for the time being. Kensington Palace said. The 47-year-old princess went down with gastroenteritis and mild hepatitis six weeks ago.

Living alone

More and more people in Britain are living alone as old-style family ties loosen, according to a General Household Survey. Young people are leaving home earlier, more marriages are ending in divorce and old people who would once have attached themselves to their children's families are more often left to live alone. Society today, Page 23

Act of God

Rev. Edward Bland, 63, who ruptured an aortic aneurysm while walking home after an open-air service in Lancashire, has become the first clergyman in Britain to draw sickness benefit for an industrial injury while on parish duty. His claim to the Health Department detailed loss of earnings—six funerals at £7 a time, an 28 wedding and six cremation services in one month alone.

Briefly...

Italy beat Hungary 3-1 in their World Cup Group One match. Hundreds of servicemen's wives marched through London to protest about their husbands' pay. Bus careered over people sleeping on a footpath in Calcutta, killing six and injuring five.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS

Excheq. 5pc '82 A... 52.5 + 1

Excheq. 13pc 1988... 53.5 + 1

Comex Radiovision... 132 + 6

Fay (Norman)... 55 + 6

Heron Motor... 130 + 16

McDonald Martin Dist... 430 + 30

Marchview... 310 + 12

Metal Box... 312 + 5

P & O Dtd... 100 + 3

Phillips Lamps... 280 + 37

Rank Org... 280 + 6

Savoy Hotel A... 57 + 4

Thomson Org... 255 + 7

FALLS

Amal Distilled Prods... 38 - 4

Camrex... 64 - 4

Elson and Robbins... 62 - 6

Martin the Newsagent... 242 - 5

MUL and Allen... 133 - 10

Wedgwood... 221 - 11

Tasminex... 70 - 5

United Carriers... 50 + 11

Usher-Walker... 58 + 8

Oil Exploration... 256 + 18

Ranger Oil... 228 + 2

Siebens (UK)... 283 + 23

Harrisons Mal. Ests... 96 + 6

Warren Plantations... 224 + 13

Minorex... 190 + 8

Yukon Cons... 173 + 5

Schmidt leaves way open for package deal on growth

BY JONATHAN CARR: BONN, JUNE 6

West Germany has no immediate plan for further steps to try to boost the economy, Chancellor Helmut Schmidt said today. At the same time he left the door open for a decision on new measures this summer.

His remarks, in an interview with the West German news agency DPA, strengthened the view that Bonn may now be ready to seek more growth as part of a package deal with its main trading partners.

Other key elements in the deal would include firm steps by the U.S. to cut oil imports, a pledge by Bonn's partners to resist protectionist pressures, and renewed efforts to counter currency unrest.

The whole could be tied up at the western economic summit conference here on July 16 and 17.

Herr Schmidt did not directly refer to such a deal. But he did cite energy, protectionism and currency matters—as well as efforts to improve economic co-operation between the developed and developing world—as major, inter-related problems to be covered at the summit.

In particular, he wished President Carter success with his energy-saving programme—stressing that the President had the power to step in himself if Congress refused to act.

He expected the U.S. would make clear at the Bonn summit that it favoured the scheme to

On the German economy, Herr Schmidt stressed that the emphasis should be laid on medium and long-term strategy rather than short-term efforts which provided only an inflationary boost.

He wanted to wait for the statistics on the economy's performance in the second quarter of the year, believing that these would be better than those for the first three months.

Dr. Otmar Emminger, President of the Bundesbank, has just given a similar view. He thought

price index during a possible General Election campaign this autumn.

The Government expects the inflation rate to fall again to about 7.5 per cent this month and about 7 per cent in July and August.

In the autumn the retail price index is likely to fluctuate between 7 and 8 per cent, say Government forecasts.

Ministers intend, therefore, to

Parliament, Page 10

Mortgage rates, Page 7

reassure the voters that an inflationary upsurge is unlikely to follow any small monthly increase in the index. They also intend to explain fully the effects of various influences on the index.

While this action to protect the Government's position in an autumn election is being taken, Mr. Callaghan has told colleagues that he will not decide the date of the General Election until August.

The Prime Minister, reported to be anxious to avoid suspicion of gimmicks or running to the country at the first favourable

Land Securities revalues property

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

LAND SECURITIES Investment Trust's investment properties increased in value by £167m last year. A sample valuation of the world's largest property company revealed a 21.6 per cent rise in values since March 1977, enough to push the value of its property holdings to £993.5m.

This sample valuation, which has not been incorporated into the group's accounts, confirms the dramatic recovery in property investment values in the past year.

Although Knight Frank and Rutley, Land Securities' valuers, notes an easing of property yields since the March year-end, the 1978 revaluation to

RESULTS, PAGE 25

Lex, Back Page

European news... 23

American news... 6

Overseas news... 4

World trade news... 4

Home news—general... 7-9

Labour... 10

Parliament... 10

Technical page... 11

Management page... 12

Arts page... 21

Leader page... 22

U.K. Companies... 24-25

Mining... 26

CONTENTS OF TODAY'S ISSUE

Problems of dividends: Mr. Hesley... 22

Society Today: Never before had it so good... 23

The personality which makes for top managers... 32

Multinationals and the New Order... 33

Turkey: Regulating the Golden W. German moonlighting: Black is profitable... 3

French machine tools: Surviving anxieties... 3

China's foreign policy: Fast rising profile... 4

Sudan: A balance of payments problem... 4

Greece... 14-15

Charter Com... 25

Ch. P. & S... 26

De la Ray... 27

Shahin... 28

Soc. Economic Trend... 29

Franch Shaw... 29

Minister calls in petrol chiefs

By Elton Goodman, Consumer Affairs Correspondent

MR. ROY HATTERSLEY, the Prices Secretary, has asked to see the heads of all the big oil companies to discuss the petrol price rises which resulted from the companies' reducing their financial support to some garages.

The Minister is clearly worried about implications for the retail prices index, and wants to know more about the reasons behind the oil companies' latest moves.

A series of meetings is expected to be held over the next few days with executives of the individual companies.

The two sides will presumably see things differently. While Mr. Hattersley would like to see petrol prices kept to a minimum, the oil companies would eventually like to end the forced price-cutting war.

Last week, Esso wrote to many of its dealers telling them that it was withdrawing a large part of the support aid which has enabled them to cut several pence off the scheduled price of petrol.

The move has resulted in increases of a penny or two a gallon in many garages—particularly in urban areas where price cutting has been most intense. The other major oil companies are following suit.

Temporary

The oil companies did not give the Prices Commission advance warning of their action because they did not consider that a reduction in what they regarded as a temporary support programme for dealers fell within the Commission's jurisdiction.

Since then, the Commission has raised the matter with Esso, but it seems to have concluded for the time being that there is nothing it can do about the rises.

Mr. Hattersley could, however, presumably make a sectoral reference of all the oil companies to the Commission.

Alternatively, he could, perhaps, try to get a voluntary assurance from the companies about future price rises as he did from the brewers.

In spite of last week's reduction in dealer support, the oil companies will go on contributing almost 2p a gallon to some dealers' prices.

£ in New York

	June 5	Previous
Spot	\$1.8100-0100	\$1.8095-0095
1 month	0.40-0.45 ds	0.35-0.38 ds
3 months	1.00-1.15 ds	1.20-1.25 ds
12 months	5.40-5.50 ds	5.40-5.50 ds

Money supply growth rate is slower

BY MICHAEL BEANDEN

THE GROWTH of the money supply slowed down last month, the first of the new financial year, after the sharply excessive figure recorded in April.

The latest banking figures suggested that, in the month to mid-May, the increase in sterling money stock on the wider definition (M3) was substantially lower than the previous month's rise of 2.4 per cent.

The growth may still have been, however, at or above the top end of the official target range for the current year. This was fixed in the Budget at an increase in sterling M3 of 8.2 per cent subject to adjustment after six months.

This was a slight reduction from the 9.13 per cent range set for the past year to mid-April, which in the event was substantially exceeded with a growth of sterling M3 over the year of 10.1 per cent.

The banking figures also indicated a marked upsurge in bank lending, apparently associated with the rise in consumer spending and possibly substantial intervention undertaken with growing leasing business by the Bank of England to this increase, coupled with the continuing difficulties being encountered by the authorities in selling gilt-edged stock to fund thought to have intervened, the Government borrowing—although on a smaller scale than requirement is causing growing concern over the expansion of domestic credit.

In his recent letter of intent to the International Monetary Fund, Mr. Denis Healey, the Chancellor of the Exchequer, affirmed his determination to a rather smaller increase of 1 per cent in the money stock within a limit of £8bn in the liabilities, but a substantial rise in the money stock was not well received in the gilt-edged market, where, after showing

BTR move into U.S.

BY DAVID LASCELLES IN NEW YORK AND MARGARET REID IN LONDON

BTR, the British engineering group, is buying a 33 per cent stake in Worcester Controls Corporation, the U.S. valve concern, on condition that the group's own Worcester Controls Bank, which owns Worcester Controls Bank, and his brothers Ken and Lewis still believe that rest of the shares at the same price, \$50 a share. The terms of the takeover are still being negotiated.

Last night's announcement that BTR had reached agreement for the sale to it of the 33 per cent holding—including the three British Norris brothers, shares of Mr. Robert McCray who own 13 per cent of the company, and other officials of Worcester capital of the U.S. company, of Controls Corporation—followed which they are all vice-presidents of several days of tense discussions, and who run the British BTR business, which accounts for more than half the Worcester group's turnover.

Continued on Back Page

WADDON HOUSE CROYDON

5,150/10,300 SQ. FT.

OF EXCELLENT MODERN OFFICES

TO BE LET

AT UNDER £3.90 per sq. ft.

AS A WHOLE OR WOULD DIVIDE

Hillier Parker

May & Rowden

77 Grosvenor Street, London W1A 2BT

Telephone: 01-629 7666

and City of London, Edinburgh, Paris, Amsterdam, Australia

EUROPEAN NEWS

Spain has \$76m. current account surplus in April

BY ROBERT GRAHAM

MADRID, June 6.

SPAIN'S current account balance of payments achieved a \$76m surplus in April. This is the best monthly figure this year and further evidence that on the external front at least the Government's economic measures are working.

The turnaround in the current account has been striking. During the same month last year a \$439m deficit was recorded. The figures for the first four months are even more impressive: the current account deficit was \$72m against \$2.27bn in the same period last year.

The improvement in the current account has caused a substantial rise in Spain's foreign reserves. According to provisional figures these reached a record \$7.2bn in May, compared with \$4.2bn in May, 1977.

In the first five months of this

year, reserves have increased by a monthly average of almost \$300m.

This had affected the peseta, which has now recovered some ground since the 22 per cent devaluation last July. The peseta has regained almost 9 per cent against the dollar, while it has appreciated over 5 per cent against other leading currencies.

The strong reserve position, combined with the continued low level of imports (only 2 per cent up in April), the maintenance of the upward trend in export earnings, and projections for a boom year for tourist receipts mean that the current account deficit for 1978 could be below the anticipated \$1.5bn, already a downward revision of an earlier projection.

Unofficial estimates are that the healthy trend in tourist earnings and continued slack on the import side will push up reserves

to some \$5.5bn by the end of the summer.

This situation is producing an important reassessment of foreign borrowing policy. At the outset of the year the target for foreign borrowing was \$3.1bn. At the time, some foreign bankers were beginning to show concern that this continued high level of foreign borrowing would substantially increase Spain's foreign debt to some \$15bn, and create a heavy debt service ratio.

Now Spain almost certainly will not need to borrow so much. More important, the Government is expected to avail itself of the opportunity to accelerate the repayment of some high-interest short-term debts. Meanwhile, the Government has decided to provide a \$28m credit to Peru as part of a \$85m special package with several Latin American countries to assist Peru's short-term liquidity problems.

Unofficial estimates are that the healthy trend in tourist earnings and continued slack on the import side will push up reserves

Irish hope to reopen Ferenka factory

By Michael Lafferty

THE IRISH Government hopes to make an announcement about the re-opening of the former Ferenka steel cord factory in Limerick within the next 10 days. This was said in London yesterday by Mr. Raphael Burke, Ireland's junior Commerce Minister.

The Government has been making strenuous efforts to re-start work at the 20m Limerick plant ever since Akzo, the Dutch multinational, unexpectedly closed down its subsidiary's operations in Limerick at the end of last year with a loss of 1,400 jobs. It was the biggest industrial shut-down ever experienced in Ireland.

While Akzo maintained that union troubles had contributed to its decision, the Irish Government claims that the closure arose largely from financial difficulties within Akzo itself.

Mr. Burke refused to reveal the identity of the foreign company which he hopes will take over Ferenka. He was in London yesterday for meetings with 300 senior executives from Britain's largest companies.

He also announced that Ireland is to spend \$350m on developing external and internal telecommunications, and said that the Government had adopted "ambitious economic growth targets" to be achieved by 1990.

"For example, we plan to expand manufacturing employment by more than 30 per cent over that period, this, in turn, will require an estimated investment of £1.2bn in new manufacturing facilities."

A correspondent in Dublin writes: Mr. Desmond O'Malley, the Minister for Industry, Commerce and Energy, confirmed in Limerick tonight that he hoped to be in a position to make an announcement about the re-opening of the Ferenka plant within ten days. He told the Financial Times he was not in a position to give any further information. "Negotiations are still at a critical stage."

EEC to open Portugal negotiations

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

LUXEMBOURG, June 6

EEC FOREIGN Ministers agreed today to open "as soon as practically possible" formal negotiations with Portugal on its application to become a full member of the Common Market.

In practice, this is expected to mean that the talks will start in September or October, after the Community's summer break. This timing is acceptable to the Portuguese Government, which would like to link the start of negotiations with the publication of its new medium-term economic programme in the autumn.

Today's decision by the EEC Council of Ministers applies only to the principle of starting negotiations. The way in which these should be conducted, as well as proposals by the European Commission to give Portugal financial aid before EEC entry, have yet to be decided.

It is still not clear how long the negotiations will last and how the timing of Portugal's eventual accession to the EEC will relate to that of Greece, which has been negotiating to join for almost two years.

Dr. David Owen, the U.K.

Foreign Secretary, said today that, while it was important to treat each negotiation separately, it could be advantageous if Greece and Portugal were to enter the EEC at the same time, since this would minimise disruptions caused by the enlargement process.

But he acknowledged that it might be difficult to ensure that the admission of the two countries coincided, and said that the EEC should not attempt to fast-track such an arrangement to the applicant countries against their will.

The Commission is also work-

ing on its formal opinion on Spain's application for membership, which was submitted in July. This is expected to be published next spring, at which time the Council of Ministers will be called on to decide whether to open negotiations.

In its opinion on the Portuguese request, published several weeks ago, the Commission endorsed its own political stance but warned that the country's economic integration into the EEC posed a number of practical problems and would have to be handled carefully.

Chances have improved of end to U.S. embargo, says Ecevit

BY METIN MUNIR

ANKARA, June 6.

MR. BULENT ECEVIT, the Turkish Prime Minister, returned to Ankara from the U.S. today with the impression that the chances of the embargo being lifted have improved considerably in the last few days.

The ban on arms supplies to Turkey was imposed by the U.S. Congress seven months after Mr. Ecevit ordered the Turkish army to Cyprus in the summer of 1974. The embargo, ostensibly a punishment for Turkey's use of American arms in Cyprus, was also designed to press Ankara into making concessions in American bankers who are among Turkey's biggest creditors and accused both the restructuring of his country's debt and the chances of obtaining fresh money.

Although he could not say with certainty that the embargo

would be revoked, he said he was "under the impression that the chances of the embargo being lifted have improved considerably in the last few days."

The ban on arms supplies to Turkey was imposed by the U.S. Congress seven months after Mr. Ecevit ordered the Turkish army to Cyprus in the summer of 1974. The embargo, ostensibly a punishment for Turkey's use of American arms in Cyprus, was also designed to press Ankara into making concessions in American bankers who are among Turkey's biggest creditors and accused both the restructuring of his country's debt and the chances of obtaining fresh money.

Although he could not say with certainty that the embargo

Lisbon takes action on compensation

By Jimmy Burns

LISBON, June 6

PUBLICATION IN the Portuguese gazette this week of a ministerial order signed by Dr. Vitor Calisto, Minister of Finance, will be the first sign of the Portuguese Government's decision to go beyond mere assurances to settle the problem of indemnities.

It was confirmed today in the order signed on the eve of Dr. Calisto's trip to the U.S. that the Government would mean the three companies would be compensated for assets and property lost after April 1974, will be able to apply for indemnification.

The next step is expected to be an analysis of claims. Portuguese banks with a view to calculating how much is owed by the Government.

The procedure is expected to take several months and compensation will almost certainly be made in the form of bonds. Settlement of outstanding claims was promised by the alliance of Socialists and Christian Democrats in its programme last January, to re-establish business confidence and attract foreign capital.

Commissioner rebuked

The Danish Foreign Minister, Mr. K. B. Andersen, said yesterday that statements by the EEC Commissioner, Mr. Claude Cheysson, on Portuguese policy in Africa were out of tune with the Community's policy. Reuter reports from Copenhagen. Mr. Cheysson last week accused the Soviet Union of providing arms to African countries with considerable military aid but failing to assist their economic development.



Regilding the Golden Horn

BY METIN MUNIR

THE FERRY up the Golden Horn leaves from the Galata Bridge in Istanbul every two hours. It is a small, one-decked steamer of about 150 tons, built in Britain around 1910 when Istanbul was the capital of the Ottoman empire. At the turn of the century the shores of the Golden Horn, curving around the five-mile-long estuary, housed the city's commerce and night life as well as the residences of the wealthy European, Greek and Jewish merchants.

From a pavement display at Taksim Square near the new Intercontinental Hotel one can still buy old posters of Constantinople as there was, showing a Golden Horn with long canals, clean waters and white-washed wooden villas.

The banks of the Kagithane creek flowing into the Golden Horn were the most popular Ottoman picnic spot where cravated clerks, heavily veiled and escorted maidens, Prof. Fener, where the Greek Orthodox Ecumenical Patriarchate is situated, was full of Greek taverns and restaurants. At Balat more than 50,000 Bulgarians lived near their cathedral, St. Stephen and the Bulgarians. Each year on January 7 two Bulgarians dived into the cold waters to retrieve a cross thrown into the Golden Horn in the Orthodox Epiphany ceremonies.

Pilgrims crowded the courtyard of Eyup mosque, the fourth holiest shrine of Islam, where Mohammed's standard bearer is buried. The Jewish community, which escaped from the Spanish inquisition in the 15th century, also lived on the Golden Horn.

Now the rich foreigners and minorities have moved to the shores of the Bosphorus, the narrow waterway running between the European and Asiatic shores of Istanbul. The Golden Horn has turned into an open sewer, its environs have been swallowed up by slums and industries.

Every year 2m tons of industrial and shipping refuse and sewage pour into the estuary, and it has long ceased to sustain fish and in some sections even plankton. A dolphin, which blundered into the Golden Horn from the Bosphorus recently was drowned.

Not only the water in the Golden Horn is filthy—the air above it is three times more polluted than the maximum acceptable international limit as defined by the World Health Organisation.

Restoring the Golden Horn to its ancient charms and functions has an appealing sound to Turkish ears. It would make sound economic and city planning sense as well.

In the derelict slums around the Golden Horn there live more than 1m people constituting more than a third of the popu-

lation of the city. More than 3m tons of goods a year are handled by the maritime traffic in the estuary, or nearly one-third of the whole traffic handled by the port of Istanbul, the country's biggest. Lorries transport another 8m tons a year to industrial sites in the area.

Some 1.7m square metres around the estuary house a large proportion of the manufacturing industries, depots and dockyards of Istanbul. All of this activity is superimposed upon a nightmare of urbanisation. Virtually every tenement house is built on top of another, with roads to water and gas to sewage is inadequate. The traffic is among the most congested in Istanbul, which is saying something.

In 1975 the Ministry of Public Works commissioned from Istanbul's Bosphorus University a master project for rehabilitating the area. A large group of experts under Professor Semih Tezcan worked for two years and prepared a comprehensive project. It foresees an expenditure of \$64m (at 1977 prices) over 12 years for the complete rehabilitation of the area. The rest \$15m would be spent on sewage, \$4.5m on new roads and \$4m on turning the region around Eyup Mosque into a park. The proposal is for a section of the estuary to be filled in to create grounds for a park. The monuments in the area would all be surrounded by parks and places of entertainment. The general purpose is to turn the Golden Horn into a major tourist attraction.

No sooner had the Ministry of Public Works received the project last year than it shelved it. There is little hope that it will see daylight again. The Golden Horn is only one segment of Istanbul which as a whole is in dire need of solutions for its problems of fast population growth and industrialisation. There is neither an overall plan nor funds for the city. Turkey's biggest and most industrialised, which continues to grow in an incredibly haphazard manner.

There are some indications, however, that things may be improving. The Parliament is discussing a new Bill which will

Professor Tezcan says that 60 per cent of the 700 businesses polled in the Horn said that they would go voluntarily, so weary were they of the congestion and inefficiency.

Under the Tezcan plan \$22m would go towards expropriation. Of the rest \$15m would be spent on sewage, \$4.5m on new roads and \$4m on turning the region around Eyup Mosque into a park. The proposal is for a section of the estuary to be filled in to create grounds for a park. The monuments in the area would all be surrounded by parks and places of entertainment. The general purpose is to turn the Golden Horn into a major tourist attraction.

No sooner had the Ministry of Public Works received the project last year than it shelved it. There is little hope that it will see daylight again. The Golden Horn is only one segment of Istanbul which as a whole is in dire need of solutions for its problems of fast population growth and industrialisation. There is neither an overall plan nor funds for the city. Turkey's biggest and most industrialised, which continues to grow in an incredibly haphazard manner.

There are some indications, however, that things may be improving. The Parliament is discussing a new Bill which will

considerably increase the revenues of the impoverished municipalities. The World Bank has promised funds for the city if a metropolitan plan can be drawn. The Greater Istanbul Planning Office is working on it. Meanwhile, the Golden Horn continues to decay but is still one of the most interesting sites in Istanbul despite the smell, the rotting hulks, and the mud banks.

Getting to a business appointment at the other end of the country or somewhere in Europe can be a tiring, frustrating and irritating hassle. And at the end of it all you have one or more top executives who have not only wasted valuable hours in transit but are also in a far from ideal condition to negotiate and take decisions vital to the company's future.

Time is money. The alternative that more and more companies are adopting is the use of a corporate aircraft, and the choice of many is the Beechcraft Super King Air 200 C (Convertible)—a fine twin turbo-prop, fully pressurised aircraft with the facility of either 12 seater "comfortable business" or 8-8 seater "flying boardroom" configuration. This aircraft is well known for its ability to fly into small airfields as well

as international terminals. It is economical to acquire and operate, and probably the finest aircraft in its class.

If you would like to get to your business destination in the shortest time, be able to work whilst travelling, and to step out of your aircraft just a short car journey from your appointment—you should talk to Neil Harrison at Eagle about the economics and practicality of applying one of today's most valuable business tools to your enterprise.

Eagle
Eagle Aircraft Services Ltd
Luton Airport, Luton, Bedfordshire LU2 9JY
Tel: (0525) 736111 Telex: 281502

You can save more money with a Beechcraft "Super King Air" (Eagle)

CATCH A JET FROM TOWER BRIDGE TO BELGIUM.

Every day at 2.30pm P&O Jet Ferries Jetfoil departs from the heart of London and skims across the sea at 50mph to Zeebrugge.

It's fast. It's smooth. It's sensational. There's simply nothing else like it at sea.

P&O Jet Ferries

DEPARTS 14.30 DAILY. RESERVATIONS: 01-481 4033.

Fly to the Big Country with Braniff's new low fares.

The only non-stop from London to Dallas-Fort Worth, gateway to America's Big Country. 747 daily. Leave: 11.45am. Arrive: 3.05pm.

No other airline comes within sight of it. The only 747 daily service to America's Southwest from Britain, the only non-stop service from London Gatwick to Dallas-Fort Worth—and now at prices that turn one of the most exciting regions in the world into a practical proposition.

THE DALLAS-FORT WORTH GATEWAY

Dallas-Fort Worth is the newest gateway to America's Big Country, the great states of the Southwest, West, South and Mid-America.

Arrival time accommodates connecting Braniff flights to major cities throughout the Big Country and Mexico. For example:

BRANIFF LOW FARES—LONDON/DALLAS-FORT WORTH			
FARE CLASSIFICATION	FARE*	CONDITIONS	
First Class	One Way Return £398.00 £796.00	None	
Economy	One Way Return £215.50 £431.00	None	
Advance Purchase Mon-Thurs Excursion Fare Round Trip	£235.50 £471.00	Reservations made and tickets purchased 30 days prior to date of travel	
Budget	One Way Return £78.00 £156.00	Reservations made and tickets purchased 21 days prior to week of travel. Braniff will give you 7 days notice of actual day of departure	
Standby	One Way Return £78.00 £156.00	Pay for your ticket on day of departure up to 2 hours before flight departure	

*When travelling from London to Dallas-Fort Worth on Sat. or Sun., and from Dallas-Fort Worth to London on Fri. or Sat., add weekend surcharge of £6.00 each way.

†During the period 1st July-30th Sep. peak season rates apply to Economy, Apex and Budget Fares.

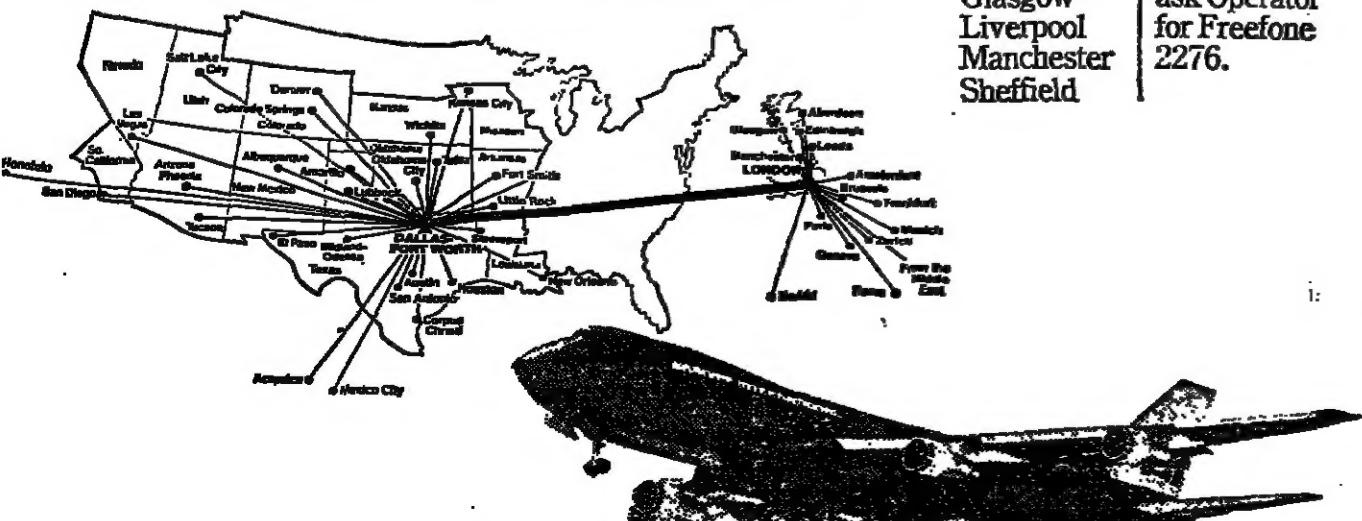
Leave London Gatwick 11.45am
Arrive Dallas-Fort Worth 3.05pm
Houston 5.50pm
San Antonio 5.45pm
Oklahoma City 5.00pm
Tulsa 5.10pm
Denver 5.30pm
Kansas City 6.40pm
Mexico City 7.50pm

RESERVATION SERVICE

For flight schedules and reservations (including seat assignment) call your travel agent or the Braniff reservations centre in London 01-491 4631.

Aberdeen
Birmingham
Edinburgh
Glasgow
Liverpool
Manchester
Sheffield

In these cities Dial 100 and ask Operator for Freefone 2276.



BRANIFF INTERNATIONAL

Mainland USA, Alaska, Hawaii, Mexico, South America and Europe.

French industry told not to 'abuse' price freedom

BY DAVID CURRY

PARIS, June 6.

THE FRENCH Government has notable exception despite the ample by causing the public at large to associate price freedom with price rises. In addition to the new prices, the government has taken measures to encourage the flow of savings into industrial investment. All particularly the closely linked with manufacturing, to enjoy a Francoise Ceyrac, the head of the Patronat, has sought the immediate doubling of the tax bonus on dividends to 100 per cent, and heavier subsidies on lending to industry to reduce the real cost of borrowing for French companies.

At the same time the President of the Competition Commission (until recently the all-powerful Prices Commission) has been told by the Prime Minister, M. Raymond Barre, that the resources of the Commission will be substantially increased next year.

Following a 1.1 per cent retail price rise in April and the certainty that, under the impact of sharply higher public sector prices, the monthly indices will continue to be bad through the summer, many commentators are expecting price inflation to be above 10 per cent in 1973.

The Government is trying to speed up the rise in the cost of living (except for a relatively small number of items) and does not want to be caught in a price-wages spiral which it can pass on to higher wages in price rises.

Hence, M. Monory's letter reminds companies particularly that they should pay attention to the growth of their wage bill and should keep a very careful eye on their price increases to be able to keep price increases to the most modest level possible. He notes that industry has measured him that price increases under a system of total freedom need not be more severe than under the regime of price control. The Government is pledged to set free the bulk of industrial prices (petrol products is a

Police clear out strikers occupying Renault plant

BY OUR OWN CORRESPONDENT

PARIS, June 6.

RIOU POLICE and gendarmes summer holidays for many cleared strikers from the heavy workers in sympathy action. The Renault motor company thinking on the same lines. They in the early hours of the morning, as the company displayed its intention of standing firm against demands for sharp increases in salary.

While the strikers in the plant—numbering fewer than 100, the majority of them hand-grants, at the time of the Renault—left quietly, the hard core of young militants occupying the gearbox and engine plant at Cleon, near Rouen, were giving no hint of departing voluntarily before dawn.

At Cleon there is also a strong immigrant element among the strikers, but classified as grating seems to be a more immediate issue than pay. There immediate issue than pay. There immediate issue than pay. There immediate issue than pay.

Terrorists in Italy kill prison officer

By Paul Berts

ROME, June 6.

TERRORISTS shot dead a senior prison guard in the northern town of Udine today only 24 hours after Rome judicial authorities charged six people with alleged involvement in the kidnapping and murder of Sig. Aldo Moro, the former Prime Minister.

Two extreme left-wing groups, the Red Brigades and the so-called "Armed Nuclei for Communism" simultaneously claimed responsibility for the murder of the prison officer, Sig. Antonio Santoro.

Sig. Santoro was chief guard at Udine jail, where Red Brigades members have been held and which has recently been involved in a scandal concerning a drugs racket inside the prison.

Meanwhile, Italy's main political parties are involved in the last stages of the campaign for the two referenda promoted by the small Radical Party to be held on Sunday.

The main parties are presenting a united front against the Radical proposals to abolish current public order legislation and the law concerning the public financing of political parties.

The Christian Democrats and the Communists are particularly keen to see a large turnout on Sunday, when the Radical proposals are generally expected to be defeated. A large turnout would be regarded by the main parties as psychologically important for the fragile political framework in which the Communists directly support a Christian Democrat minority Government.

In view of the referendum campaign, the Prime Minister, Sig. Giulio Andreotti, today postponed a Cabinet meeting originally scheduled for Friday until next week. The Cabinet meeting was expected to consider a second package of measures to cut the public sector deficit to about L24,000bn (£15bn) this year.

WEST GERMANY'S MOONLIGHTING WORKERS

Black is profitable

BY GUY HAWTIN IN FRANKFURT

WEST GERMAN bumper stickers tend to be of a practical bent—the sort that say: "If you can read this you are about to enter my exhaust pipe." What, indeed, could be more practical in a country which habitually drives with its foot firmly on the floor boards?

Unusual bumper stickers, therefore, tend to enrage themselves on the mind, such as the Christian Democrats' slick election campaign identity sign which placed a small red "G" and "U" before and after the big, bold "D" for Deutschland.

However, one of the latest bumper stickers going the rounds is anything but subtle. It translates in English: "Cut out working 'black' and cut unemployment."

"Black work" or "Schwarzarbeit" is a major bone of contention even in a country where the unemployment rate stands at 4 per cent—its lowest level for four years. Schwarzarbeit is unofficial work which is not reported to the authorities and therefore is subject neither to income tax or VAT.

All of West German officialdom stands ranged against Schwarzarbeit—the Government, the unions, the employers' associations, the chambers of commerce, and the craftsmen's trade associations—but still it flourishes. It is, perhaps, the miracle has still not expunged grim stories of the black market cigarette economy that immediately followed the Second World War, in many ways it has provided fertile ground for a new black market in labour.

It is very hard to determine the amount of Schwarzarbeit that is undertaken. And it is virtually impossible to glean statistics on it. However, from statistics on it, it seems clear that the market is substantial and is one that probably seriously distorts the country's gross national product statistics.

There are few men with a skill to offer who would turn down the chance of working on the black. Indeed, many craftsmen appear to do their best to channel work from the official sector to "Schwarz economy." Anybody who has attempted to get a simple, household maintenance job done, is rapidly disabused of the traditional image of the orderly, disciplined German worker.

to fill in all the time a real trial. I do not like the idea of working hard all day and then spending all evening on paper work to keep a load of bureaucrats in fat jobs.

Another incentive seems to be West Germany's thorough craft education system, which means that a young artisan can spend up to seven years to obtain his coveted 'Meisterbrief' or master-craftsman's certificate, which entitles him to supervise

tax man does not hear of their endeavours. While Schwarzarbeit has an attractive Robin Hood ring about it, there is also a dark side, as the authorities are swift to point out. There is some evidence that it could be contributing to a breakdown in the famous German work morality.

Despite the fall in unemployment, there have been regular reports that workers have been by no means eager to return to work, and have tended to pick and choose from the jobs on offer. Herr Eberhard von Kuennheim, chief executive of BMW, the large motor manufacturer, has complained on many occasions that, despite high unemployment, his company has found it hard to recruit skilled labour.

An illustration of this came from a chap with whom I used to gossip in my old local pub in Frankfurt. He was an amiable rogue, who worked for the large local chemical company. I bumped into him just before Christmas and, naturally, asked him how he was getting on.

"Just got put on to short-time working," he said. "I'll only be doing two weeks in four." It seemed really hard luck at Christmas time and I told him so, offering to buy him a beer. "What do you mean?" he said, losing that much. And, besides, think how much time I'll have for Schwarz."

This indicates that the trade union arguments that Schwarzarbeit costs honest workers their jobs does not enjoy entirely whole-hearted support. However, it does nothing to negate claims that it tends to erode both employers' profits and quality of work.

Certainly, moonlighters work for less than the hourly rates charged by the craftsmen who employ them, but even so they are usually earning rather more than their hourly wages. Besides, teachers who give private lessons, dentists who trade off many of the local craft treatment for financial advice, employers encourage Schwarzarbeit and the financial men who offer it, all work "schwarz" in that the trade associations to stop them.

Anyone who has attempted to get a simple household maintenance job done is rapidly disabused of the traditional image of the orderly, disciplined German worker.

THE MACHINE TOOL INDUSTRY

Anxieties about survival

BY DAVID CURRY IN PARIS

THE BIENNIAL machine tool exhibition which takes place this week finds French manufacturers in their usual state of gloom seeking hard to find comfort in occasional specks of light.

These, for the moment, are their faith in the fact that the machine tools being used in France are antiquated compared with those in other European countries, and for the first time for years, with those in other European countries, and for the first time for years, with those in other European countries.

Almost every other statistic serves only to generate gloom. The last year machine tool production in France fell to 71,000 tonnes from 85,000 tonnes the previous year, a drop of nearly 17 per cent. The value of production was 7.6 per cent down at FF2,954, factories were working on average at 71 per cent of capacity.

The bulk of the decline was due to seven subsidiaries. This group fell in domestic consumption, turned in some FF2,355m in sales to fall in domestic consumption, turned in some FF2,355m in sales to fall in domestic consumption.

The second largest, Renault-Somus, which is part of the FF2,355m group, lost 15 per cent in sales last year, while some FF2,344m last year, while some FF2,344m last year, while some FF2,344m last year.

After levy for appropriation to the reserves for contingency and catastrophe, DA12,003,831.11, and contingency for tax DA7,276,554.05, the overall financial year operations show a net available profit of DA4,777,146.82.

Balance Sheet:	
ASSETS	DA
Capital expenditure	56,636.37
Fixed assets	57,736,604.12
Investments	248,500,000.00
Retrosessionaires' shares in the technical reserves	64,411,126.54
Securities realisable at short notice or available	27,988,568.11
TOTAL ASSETS	398,692,935.14
LIABILITIES	DA
Capital and reserves	63,008,831.11
Reserve for interest in the profits to the employees	78,890.00
Short-term debts	86,099,999.59
Average and long-term debts	150,230,888.86
Technical reserves	105,507,179.56
Net profit	4,777,146.02
TOTAL LIABILITIES	398,692,935.14

Hewlett-Packard computer advances deliver results.



A Hewlett-Packard computer helped Midland Rollmakers raise quality and contain costs.

Midland Rollmakers had a brilliant new centrifugal casting process for making composite cast iron and steel rolls for rolling mills.

The outer case is highly alloyed while the core usually has a less exotic composition. Centrifugal casting could improve already existing applications and had the potential of widening the range of alloy compositions produced.

But until they had a Hewlett-Packard computer to control the process, relatively simple adjustments were complex. The rate of change in the new technology demanded fast response.

The HP-1000 could withstand wide voltage fluctuations in a tough environment and still provide a closer degree of control than before. It gave Midland Rollmakers the high level of consistency they were looking for, plus the capacity to expand during the next three years without having to change computer system.

(Midland Rollmakers Ltd. are members of the Steel Division of Johnson and Firth Brown Limited.) Hewlett-Packard produces a range of computers and peripherals which go from desk-top models through mini-computers to powerful multi-terminal, data base and distributed systems—bringing effective computing power to many different levels of need. They share a world-wide support operation with the Hewlett-Packard range of over 3,000 measuring instruments, of which several product lines are manufactured at our South Queensferry plant in Scotland.

Improved Productivity This informative brochure outlines the Hewlett-Packard approach to doing business, and summarises the expertise and resources which we at Hewlett-Packard bring to our customers. For free copy, please write to Mr. P.J. Holden, Hewlett-Packard Ltd., Winnersh, Wokingham, Berks RG11 5AR.

HEWLETT  PACKARD

Winnersh, Wokingham, Berks RG11 5AR. Tel: Wokingham 784774.

مَكْذَاقُ الْأَصْلِ



LEYLAND VEHICLES. THE BEST IN THE LAND.

We produce a range of eight agricultural tractors. And over 70% are sold abroad. They've helped us to earn a world-wide reputation for building the very best commercial vehicles.

Last year alone, we made over 30,000 trucks, buses and tractors. And we exported over half of them.

You probably know us better as Leyland Truck & Bus. But now we're called Leyland Vehicles.

We're investing over £130m in new research, development and manufacturing facilities.

We're planning a completely new range of trucks and doubling heavy truck production capacity. And we're expanding and fully computerising our truck parts back-up.

So, our service network will not only be the biggest, it'll be the most efficient in Britain.

We're doing what we've always done best. But we're doing it better than ever.



© Leyland Vehicles. Nothing can stop us now.

AMERICAN NEWS

Five-year test ban treaty urged

BY REGINALD DALE

BRITAIN and the U.S. are expected to propose a five-year ban on all nuclear testing in negotiations with the Soviet Union in Geneva this week. They hope to accelerate the pace of the long-running Geneva talks, at which the three Governments are seeking to conclude a comprehensive test ban treaty.

Hitherto, the two Western participants have held that the treaty should be of unlimited duration. The Soviet Union has offered a three-year moratorium on testing.

Under the U.S.-British proposal, as it now stands, the treaty would run for five years, in which all testing would be banned. Opinion is still divided in Washington, however, as to whether or not limited exceptions should be permitted to allow the participants to check

that their nuclear deterrents are still in working order. Some defence experts take the view, for instance, that the three months of each five years should be set aside for this purpose. They point out that the more sophisticated U.S. weapons need to be tested more frequently than those of the Soviet Union.

A further argument is that the West may be unable to monitor small-scale Soviet tests designed either to check reliability of existing systems or to design new ones. Any such activity by the U.S. on the other hand, would soon become public knowledge.

President Carter still seems to want to ban even such limited tests on the grounds that the treaty will have more political impact if it is genuinely comprehensive. It is stressed here that this makes the treaty's monitoring provisions even more im-

portant, particularly as there are the inevitable suspicions among Washington hard-liners that the Soviet Union will try to cheat. The Russians have now accepted a degree of on-site monitoring to control the treaty's implementation. But in the last analysis, inspectors would still only be allowed on Soviet territory with Moscow's permission.

The negotiations also still have to complete plans for installation of a network of seismic monitoring stations. Moscow has agreed to the principle of such a system, but there are differences over the number of such stations required.

Later in the week, Mr. Paul Warnke, President Carter's chief arms control negotiator, will be in Helsinki for the opening of negotiations with the Soviet Union intended to restrict the development and deployment of killer satellites.

Moscow is thought to have

tested about five of these weapons, the role of which would be to shoot down enemy surveillance and communications satellites. The U.S. has not conducted such tests and the assumption here is that the Russians have agreed to attend the talks in the hope of retarding the development of American killer satellites.

The U.S. could swiftly overtake the Soviet Union if it puts its mind to it. So far the Soviet tests have only been conducted at low orbit and the view here is that the Russian killers are not yet capable of shooting down a sophisticated U.S. satellite. They might be effective against Chinese satellites, however.

Officials also point out that the strategic arms limitation agreement between Washington and Moscow bans the use of such weapons against each other's surveillance satellites.

WASHINGTON, June 6.

Unions and NYC agree wages pact

By John Wyles

NEW YORK, June 6. AFTER MORE than three months of bargaining, New York City and its municipal unions have agreed to a new wage pact, the first in time to present a united front for today's Senate Banking Committee hearings on more federal aid for the city.

Although there are still 24 days before the existing contracts expire, last night's agreement was virtually enough to convince a sceptical Congress that New York is worthy of yet more Government help to stave off possible bankruptcy.

The Banking Committee hearings, starting this morning and continuing next week, are the major hurdle which the Carter Administration's proposed aid programme has to clear. Senator William Proxmire, the Committee's chairman, left no room for doubt in his opening statement, that he believed the city should be left to go it alone.

The President wants Congress to approve \$200 million of long-term loan guarantees to replace, from the end of this month, a programme of "seasonal" short-term loans which the city has been receiving and successfully repaying for the past three years. Senator Proxmire feared that long-term loan guarantees would set a "terrible precedent" which would encourage profligate spending by other cities. He doubted that such guarantees would be in the country's long-term interest and argued they would "remove the pressure on the city and keep it from making the tough decisions needed to get the city back to a balanced budget and back into the credit markets."

Mayor Edward Koch told the Committee that without federal help New York would "sunder from crisis to crisis." He would not testify with certainty that the city will go bankrupt without the aid package but argued the cost of not helping New York would be greater than what was being proposed.

The Mayor's four-year fiscal plan provides for balancing the budget by 1982 and capital expenditures of \$4.5bn. The federal loan guarantees would be used to obtain up to \$200 million of funding from city and state pension funds which would be augmented by a further \$100 million which city officials have agreed to purchase.

The city hopes most of the balance can be obtained from the public debt market which has been closed to New York for the past three years. Mayor Koch claims that last night's pay deal is within the city's means although he has conceded more than he wanted. The deal covers more than 200,000 workers who will receive 8 per cent pay raises during the term of the contract. Total cost of the agreement will be \$100 million of which \$75 million will be met from city revenues and the balance by aid from New York state and other sources.

The pay rises are far lower than the general trend of U.S. pay deals this year which are allowing up to 20 per cent and more in improved wages and conditions. Over a two-year contract, the New York agreement applies to some 100,000 unionists ranging from teachers to dustmen, who will receive total increases averaging \$1,700.

World shortage of oil unlikely before late 1980s, says report

BY DAVID LASCELLES

ADDITION to the recent series of conflicting reports about the world's energy prospects, the New York-based Petroleum Industry Research Foundation predicts today that an extended oil shortage of the type proposed by some analysts is unlikely before the late 1980s and can be avoided for the rest of the century.

The Foundation, an independent body, bases its prediction on likely developments in the non-OPEC oil market, which it assumes will grow up to 2.0 per cent a year, assuming varying rates of growth in oil demand of 3.8 per cent, 3 per cent and 2.3 per cent. Its study concludes that OPEC output would be able to

meet demand in all cases in 1985, but only in the two lower cases in 1990. If demand for oil continues to grow fast, therefore, a world oil shortage becomes a possibility in the late 1980s, when it could reach up to double the 1977 levels.

But the Foundation believes that a crunch of this kind is unlikely for two reasons. World economic growth is not expected to be at a level to sustain such a high growth in oil demand, and, anyway, improvements in the structure and utilisation of oil will ease the situation. The study focuses closely on

the U.S. domestic oil situation, and forecasts that demand for oil will grow by 1.3 per cent a year up to 1990 compared with 3.7 per cent in 1980-75. This implies that U.S. oil imports will be 9.4m-12m barrels a day by 1985, and 10m-15m by 1990.

In the longer term, the study foresees a slowdown in world oil demand after 1990, and predicts an OPEC production peak of 31m barrels a day, including 10m from Saudi Arabia. The timing would depend on demand and the production policies of the exporting countries, but the peak would not be reached before the mid-1990s.

NEW YORK, June 6.

Domestic car sales rise 11%

BY OUR FOREIGN CORRESPONDENT

NEW YORK, June 6.

WHILE FOREIGN car sales fell for the second consecutive month, the U.S. car industry fully recovered in May from the winter slump. Dealers have now sold more domestically produced cars than they did in the first five months of last year.

But indications that last month's extremely strong selling rate may not be sustained have come from two authoritative surveys which show declining consumer confidence and growing pessimism about the future of the economy. This tends to support the view that the car sales boom stems partly from consumers' desire to beat price increases which are anticipated later this year.

Total sales of U.S. and foreign-built cars were the highest for any May and reached 1.15m compared to 1.052m last May. Domestic cars leaped 11 per cent to 962,985 units while foreign car sales fell 14 per cent to around 195,000 units.

While still capturing a highly respectable 17 per cent market share, foreign cars are clearly suffering from price disadvantages forced on them by the fall in the value of the dollar this year.

The leading Japanese importers, Toyota and Datsun, suffered a 19.7 per cent and 25.5 per cent decline in sales respectively while VW, the largest non-Japanese importer, was down by 23.1 per cent. British Leyland sales were down 24.3 per cent to 5,938 units.

The most conspicuously successful importer was Renault whose sales more than doubled to 2,440 units and are expected to go much higher. Arrangements are completed for marketing its R5 small car through American Motors Corporation dealers.

At 3.88m, year-to-date sales of domestically produced cars are 1.6 per cent higher than at the same time last year. General Motors, whose sales total was up 9.7 per cent in May, has delivered 1.3 per cent more cars this year and has a market share of around 36 per cent. Ford's sales, up 19.3 per cent in May, are 4.9 per cent up on last year and the

company's market share is around 29 per cent.

Chrysler's sales were only 3.6 per cent higher in May, and the company's year-to-date sales have fallen 1.9 per cent on last year. American Motors sales fell 0.6 per cent last month and for the year are 8.3 per cent lower.

At the same time as they were maintaining this buoyant new car market, American consumers were trimming back future buying plans, according to the latest report on consumer confidence from the Conference Board, the U.S. leading business research organisation.

The Board says its consumer confidence index was 8.5 points lower in May than April while its buying plans index fell 15 points to 95.3. Some 6.5 per cent of the 5,000 households surveyed plan to buy a new or used car during the next six months, compared to 7.8 per cent in April.

In its latest survey, Citibank finds that 60 per cent of its respondents feel the economy will worsen over the next six months and more than half laid the blame on inflation.

company's market share is around 29 per cent.

Chrysler's sales were only 3.6 per cent higher in May, and the company's year-to-date sales have fallen 1.9 per cent on last year. American Motors sales fell 0.6 per cent last month and for the year are 8.3 per cent lower.

At the same time as they were maintaining this buoyant new car market, American consumers were trimming back future buying plans, according to the latest report on consumer confidence from the Conference Board, the U.S. leading business research organisation.

The Board says its consumer confidence index was 8.5 points lower in May than April while its buying plans index fell 15 points to 95.3. Some 6.5 per cent of the 5,000 households surveyed plan to buy a new or used car during the next six months, compared to 7.8 per cent in April.

In its latest survey, Citibank finds that 60 per cent of its respondents feel the economy will worsen over the next six months and more than half laid the blame on inflation.

Argentina lifts restrictions on news agencies

By Robert Lindley

BUENOS AIRES, June 6. THE ARGENTINE regime has repealed two measures which curtailed Press freedom and which had been imposed by the previous military dictatorship of General Alejandro Lanusse in 1975. The only requirement for news agencies is that they register to operate here.

One of the repealed regulations prohibited foreign-owned news agencies from supplying information on events in Argentina to local subscribers. The other, which has not been generally observed by the media since the 1976 coup, banned local media from reproducing commentaries on Argentina which had been published abroad.

In announcing the repeal of the measures, the public information secretary, Rear Admiral Oscar Franco, said: "The regime of General Lanusse was an authoritarianism which tolerated freedom of the Press. It is this which is showing us what road to take."

Iran buys five Boeing jumbo jets

By Andrew Whitley

TEHRAN, June 6. IRAN AIR has placed firm orders for five more Boeing 747 jumbo jets. The agreement doubles the number of 747 aircraft the Iranian airline will have in service, and brings to 22 the total sold to Iran, taking into account a dozen sold to the air force.

No details of the financing agreements have been released, but Iran Air is likely to be seeking a combination of supplier credit and European loans.

The agreement is for four 747-100 aircraft, capable of carrying up to 483 passengers, and one 747-200. The 747-100s will be powered by Pratt and Whitney JT9D-7 engines. Delivery should be completed by March 1981. Iran Air plans to use the new aircraft on its established routes to the U.S. and on a new route to Singapore and South-East Asia.

Although the purchase agreements have been signed, Iran Air retains an option to cancel the fifth aircraft.

In March, Iran Air signed firm contracts for six European Airbus, and took out options on another six. The decision to go back to Boeing for long-range aircraft indicates that this purchase was an exception.

No decision on Romanian deal

By Michael Donnan

CONTRACT NEGOTIATIONS between British Aerospace, the nationalised aircraft manufacturer, and Romania, for the purchase and ultimate manufacture in Romania of up to 80 One-Eleven jet airliners, worth in all more than £200m, are still in progress and a decision is not expected for some weeks.

Suggestions yesterday that the deal might be concluded during the forthcoming State visit to the U.K. of President Ceausescu of Romania, in mid-June were not confirmed by British Aerospace, which stressed that the final decision rested with the Romanian Government.

Discussions on the deal have been in progress since May, last year, when the Romanian Government signed a protocol with British Aerospace providing for the manufacture in whole or in part of the One-Eleven in Romania, subject to contractual agreement.

British, Greek talks on needs

By Ian Hargreaves

ATHENS, June 6. BRITAIN has been sounding out Olympic Airways, the Greek national airline, on its future aircraft requirements as part of its research on whether to collaborate with Europe or the U.S. on the next generation of civil aircraft.

Mr. Gerald Kaufman, Industry Minister, yesterday completed a series of talks with Mr. Athanasios Evert, the Greek Industry and Energy Minister, and Mr. Alexandros Papadopoulos, the Minister of Communications. He also met Mr. Nicholas Farmakidis, President of Olympic Airways.

Mr. Evert, like the British Airways, is in the process of deciding whether to go with Europe or the U.S. in the next stage of its aircraft ordering programme.

Swedes bid for Algerian gas

By William Dullforce

STOCKHOLM, June 6. SWEDEGAS, The Swedish gas company, is in the final stages of negotiating a 10-20bn contract to buy liquefied natural gas from Algeria. Swedegas's managing director, Claes Lindgren, hopes to have the contract signed before the summer holiday.

It would cover delivery of 2bn cubic metres of gas a year for 20 years, starting from the end of 1984 or the beginning of 1985, compared with the same period of 1984 or the beginning of 1985.

Sweden has yet to build a gas distribution network. Swedegas has also been negotiating for supplies of Soviet gas to be pumped through West Germany.

Austrians seek EEC deficit cut

By Paul Lendvai

VIENNA, June 6. IN AN attempt to facilitate access for Austrian exports to the EEC, Foreign Minister Dr. Willibald Pahr and Minister of Agriculture Guenter Haiden will start a three-day visit to Brussels.

The Austrian delegation will seek easier access for exports of cattle for breeding and of wine from the country. The delegation will also urge the EEC Commission to help to reduce the imbalance in trade with Austria, which last year reached \$73bn (£27.7bn), more than Austria's aggregate trade deficit in 1977.

Meanwhile, figures published today for the January-April period show that the visible trade deficit compared with the same period of last year fell by \$ch 3.4bn to \$ch 18.7bn. The performance was better than expected and was due to a 0.3 per cent rise in exports with a 0.2 per cent fall in imports.

Japanese car imports in May up 30% on 1977

BY YOKO SHIBATA

TOKYO, June 6.

JAPANESE SALES of imported cars last month totalled 4,387 vehicles, an increase of 30.4 per cent over May 1977, the Japan Automobile Importers Association announced today.

With the removal of a 5.4 per cent import tariff on cars in March and the sharp appreciation of the yen, Japanese sales of imported cars have picked up in recent months with 4,946 sales in March, 5,854 in April and 4,387 in May 1977, and a 25 per cent increase in April to 4,257 vehicles.

Compact cars accounted for 2,323 sales, an increase of 48.5 per cent over a year earlier, and standard cars accounted for 2,044, up by 14.4 per cent. Compacts were chiefly European cars, of which sales for the first five months of this year grew by 35.8 per cent over the corresponding period of 1977. Standard cars, mainly U.S.-made, sold only 2.1 per cent more than in January to May last year.

According to the Japan Automobile Importers Association, Fiat's May sales totalled 91, up

from 27; its five-month sales were 371 vehicles, up from 15. Most European car imports expected this year for the whole of this year will reach an all-time high.

Stuart Alexander, sales manager for Leyland Sales, expects car sales to Japan from 600 last year to nearly 1,300 this year, including 400 TR7s. Yesterday, the company confirmed that Leyland owned by Mitsubishi and 35 per cent by Leyland, had bought the main distributor, Shintoyo.

No price was disclosed. The acquisition brings the number of Leyland distributors in Japan to 10 and the number of brands to 20. Shintoyo will be called Nippon Leyland Sales Company. It has held a Leyland franchise for about 20 years.

Earlier this year, Leyland Japan opened a new representative inspection centre at Yokohama. As well as inspection and repair, the 6,500-square-metre facility serves as a parts distribution centre.

Thais agree U.S. textile pact

BY RICHARD NATIONS

BANGKOK, June 6.

THE U.S. and Thailand have announced agreement on a new textile pact, which is reasonably satisfactory to both sides, given the prevailing protectionist conditions in developing economies.

While clamping tighter restrictions on such items of apparel as jeans, shirts and trousers, where Thai exports have proven competitive in the U.S. market, the new agreement allows greater flexibility on exports of fabrics.

Negotiations of the new textile agreement—due at the end of this year anyway, when the old 1976 accord runs out—were brought forward to coincide with the rationalisation of America's system of textile classification of items from 137 to 106.

The new five-year textile agreement has been made retroactive to the beginning of 1978 to tie in with both the alteration of the U.S. classification system and Japan's new multi-fibre agreement (MFA) negotiated internationally last year. Under the old 1976 agreement Thailand was given an overall level of 210m in square yards of textile exports to the U.S. to be distributed in phases over a three-year period, which in one way or another allowed a gradual set of abolished export ceilings and items of apparel and fabrics are dealt with separately.

On items of apparel the overall ceiling of 53m square yards was retained, but the 1978 will be retained this year as the base for a 7 per cent growth rate per annum for the remaining four years of the agreement.

However, the number of categories of apparel upon which specific import limits have been imposed has been increased from six under the old agreement to 13 under the new one. Neither the levels of these limits, nor their growth rates have been lifted entirely. In its place, each that they will increase restrictions on those garments where the Thais have already established a relatively strong presence in the American market—mostly in casual wear.

All other apparel items are higher.

Garland criticises 'big three'

FINANCIAL TIMES REPORTER

THE EEC, Japan and U.S. were heavily criticised by Mr. Victor Garland, the Australian Minister for Special Trade negotiations, last night, when he told the Trade Policy Research Centre in London that these countries "resorted to devices which in one way or another circumvented the spirit of international trading rules."

Mr. Garland said that as a result of intense competitive pressure from the emerging industrial nations, economic power was being used increasingly to solve problems outside the procedures of the General Agreement on Tariffs and Trade (GATT).

Mr. Garland will be in Brussels to-day, where he is looking for a response from the EEC on the 25 proposals which Australia left with the Commission in October last year.

SHIPPING

Slow progress on U.S. policy

BY DAVID BELL

WASHINGTON, June 6

LAST WEEK'S meeting between 13 Western nations and the United States, held here in an effort to head off a serious confrontation over American shipping policy, made some progress but also emphasised the deep differences between the two sides.

The meeting was held at the request of the Consultative Shipping Group (CSG), which comprises 12 European nations and Japan. The CSG has become steadily more frustrated by U.S. maritime policy and by the actions of the Federal Maritime Commission, which regulates American shipping lines.

The dispute has been simmering in time and has its origins in the Shipping Act of 1916, which set up the body that later became the Federal Maritime Commission. The Act also granted American shipping companies immunity from Federal anti-trust action, provided that the "conference" or "cartel" to which they entered to fix shipping rates were approved by the Commission.

The conferences typically fix cargo and other rates on routes to and from the U.S. and would, under normal circumstances, be considered to be a violation of anti-trust laws. By contrast the European and Japanese shipping in-

dustries are very much less regulated and the conferences are not considered normally to be a restraint on trade.

Non-U.S. ships have become steadily more irritated by the delay that the Maritime Commission has taken in ratifying conference agreements. In some cases it has been as long as 18 months. In the absence of such ratification, foreign and U.S. shipping companies can face prosecution by the Department of Justice.

Fresh attempts have been made in Congress to extend the influence of the Commission—in this case, in a complex area concerned with freight rate rebating and "slot" companies. Under the Shipping Act of 1980, a Bill proposed by Senator Dan Rostenkowski of Hawaii and Congressman John Murphy of New York, non-U.S. vessels might be banned from U.S. ports if their owners refuse to produce certain documents that deal with rebating.

That, however, is only one area where there has been friction. Others include such matters as pooling, space charter agreements and a whole range of issues that have emerged since the switch to containerisation began in earnest in the early 1960s.

The argument about the applicability of U.S. law overseas and about the amount of control requirements.

Dutch pessimistic about likely EEC strategy

BY CHARLES BATCHELOR

THE HAGUE, June 6

EEC MEMBERS are unlikely to reach agreement on a Community shipping policy when transport ministers meet in Luxembourg on June 12, the Dutch Shipowners Association (KNV) said today. However, it expects progress to be made towards a register of the trading activities of Comecon country shipping lines, the association's chairman, Mr. J. Groenendijk, told a Press conference.

Not all EEC member countries are in agreement with proposals to allocate tonnage on the basis of past performance, the amount of cargo generated by different countries and the geographic situation of each country. The last category is particularly important for Holland, most of whose ports are transit ports for cargo from the Rhine.

France and the UK are expected to make new proposals for the distribution of cargoes and the subject is likely to come up again at the next Transport Ministers' meeting in six months' time.

The Dutch shipowners "hope and expect" an EEC Commission report on the problem of Eastern bloc shipping lines will be Dutch vessels.

"reach" that U.S. government agencies ought to have is one that is causing increasing tension in relations between advanced countries and not just over shipping. The recent case involving uranium, which went to the High Court, is another case in point.

Not surprisingly, the U.S. continues to argue that it must uphold its law and that to do so it needs access to information held in foreign countries. But the U.S. position is somewhat clouded by the Carter Administration's newly opened review of shipping policy. The Government is both to make commitments until the review is completed.

Thus, some of the participants at last week's meeting came away somewhat disappointed at the lack of formal progress made at the meeting. However, the participants did agree to meet again this year and meanwhile to set up a working group to look into some of the areas that have been discussed.

Rates are not the only area of disagreement between U.S. and European and Japanese officials. There is also a dispute, not discussed at the recent meeting, about American pollution control requirements.

One in ten vessels idle

By Lynton McLean

NEARLY ONE in ten of the world's ships is now idle through lack of work—the worst figure for two years—according to the Council of British Shipping said yesterday.

Sweden is the worst hit nation with over four out of ten ships now idle in Norway and Denmark a third of all tonnage was idle at the end of April, when a world total of 55.6m deadweight tons of shipping lay idle.

In Britain the dry cargo fleet suffered a severe increase in idle tonnage to a total at the end of April of 1.9m dwt, over 400,000 tons more than in March. The worst figures for more than a year were recorded for U.K. tankers laid-up. Out of a total of 4.4m dwt of the British merchant fleet laid-up, tankers accounted for over half 2.5m dwt.

Out of all the ships idle twenty oil tankers and combination carriers were used as floating oil storage up to June 1 ship brokers Howard Holder said yesterday. The total used as storage was 3.2m dwt, a slight increase on the previous month. Oil companies owned tonnage remained continuing to press for the Dutch static at 733,000 dwt or five per cent of the world fleet. Tonnage owned by independent companies increased to 2.5m dwt or 15 vessels.

Doubts over Cubans and Zaire

BY DAVID BELL

WASHINGTON, June 6.

WASHINGTON is much preoccupied this week with the attempts by the Carter Administration to "prove" that Cuban troops were involved in training the Katangans rebels that invaded the Shaba province of Zaire last month. But so far the Administration has not quite produced the conclusive proof that Senators like George McGovern have been asking for, and there is a lingering feeling in some quarters that there is less "hard" evidence of Cuban involvement than the Central Intelligence Agency (CIA) and others have been claiming in recent days.

Admiral Stansfield Turner (right), the head of the CIA, has done nothing to reduce this suspicion. In a statement to reporters yesterday after a secret briefing of members of Congress, the Admiral said that it was his "considered opinion" that he had sufficient evidence to draw the conclusion that there must have been Cuban involve-

ment in the training and equipping of these insurgent forces. But he introduced a qualified statement by adding that "no intelligence conclusion is ever absolutely black or white." However, he went on, the "preponderance of evidence" could only lead "to the kind of conclusion" that the Administration has come to.

The evidence has not been made public but it is understood that it is made up of reports from Katangan prisoners, reports from countries bordering Angola, satellite pictures and other undisclosed intelligence. The picture was painted after Congressman Tip O'Neill, the Speaker of the House, said that they showed that Cuban officers were involved in training the Katangan forces. But under questioning, Mr. O'Neill conceded that he had not seen the pictures.

Senator McGovern, however, said yesterday that the Cubans, who have vehemently denied

involvement with the Katangans, had told him that they ended their contacts with the "rebels" two years ago. Some Administration officials also say that the quality of some of the CIA information is not altogether reliable and that much of the actual data is more circumstantial than the Administration is willing to admit.

The Administration has, of course, never claimed that Cuban forces actually crossed the border into Shaba province. But it has cited Cuban involvement with the Katangans as another example of Cuban and, therefore, Soviet adventurism in Africa.

Senator McGovern and others are arguing that it is nothing of the sort. As clear cut as this and that the U.S. may be in danger of altering the whole thrust of its African policy for insufficient good reasons and on the basis of evidence that is at best a little cloudy.

President Carter has already



Champagne victory goes to French producers

By Kenneth Gooding

FRENCH PRODUCERS yesterday emerged victorious from the bitter court battle over the use of the word "champagne".

Showing the Allied Breweries subsidiary which for many years described its Baby brand as "a champagne perry", agreed that it will not use the description in future for wine made in the Champagne district of France or champagne Cognac produced in accordance with French law.

This was the main point to emerge from an agreed settlement reached in the High Court yesterday. Showings and the champagne producers will pay their own costs, unofficially estimated at more than £100,000 each.

Common sense

M. Joseph Dargent, head of the champagne industry's governing organisation, the Comité Interprofessionnel du Champagne, said in London after the brief hearing: "This is a triumph for common sense."

"The champagne trade is extremely glad to have resolved this dispute in this way and welcomes the spirit of co-operation which has led to this mutually agreeable conclusion."

In future, Baby brand will be described as "a sparkling perry", an arrangement which will apply anywhere in the world where the brand is or will be sold.

Cigarette jobs lost

By Lynette McLain

THE four-year-old Cigarette Components factory at Burnley is to close in August, with the loss of 80 jobs, and the company has called for 300 voluntary redundancies at its Jarrow works on Tyne.

The company, part of the Buntel group, blamed a fall in cigarette sales and changes in British tobacco tax to harmonise with the tax in EEC countries.

Taxing the finished price of a cigarette had led to a change in purchasing habits, said the company. Sales of Kings cigarettes had risen, and hit the smaller brands.

Benn rejects special tax on natural gas

BY RAY DAFTER, ENERGY CORRESPONDENT

MR. ANTHONY WEDGWOOD BENN, Energy Secretary, has rejected the idea of imposing a special tax to bring the price of natural gas more in line with other fuels.

A gas tax, as proposed by the coal and electricity industries, would be "inimical" to both gas consumers and the gradual long-term rationalisation of fuel prices he said yesterday, after the issue had again been discussed by the Energy Commission.

The Commission—a body set up to advise the Government on energy policies—has found the fuel-pricing question one of its most difficult problems.

In a paper discussed yesterday, Sir Francis Toms, chairman of the Electricity Council, claimed that Government policies favoured the gas industry, for instance.

British Gas Corporation had been given exclusive access to North Sea gas and this had enabled the undertaking to purchase supplies at an annual cost of some £1bn less than if it had paid prices related to the cost of coal and oil, he said.

After the meeting, Mr. Benn said that he could now see a way through the problem. In many ways normal market forces were bringing the prices of fuels more in line with each other.

"I am trying to look for an agreement over a period of time. The problem doesn't lend itself to a quick solution," he said.

The Gas Corporation was renegotiating contracts with oil companies to hold back the exploitation of cheap gas from southern North Sea fields.

The idea was that British Gas would take a higher proportion of its supplies from the more northerly—and costly—fields over the next few years, then increase its output of southern North Sea gas in the 1980s or 1990s to help cushion further price increases.

But the fuel pricing issue is far from dead. Mr. Benn said that the subject would be discussed again by the Commission at its next meeting in the autumn.

HP cash up 12.5% during April

BY DAVID FREUD

THE PURCHASE of new cars rose sharply in April, a clear indication of increasing consumer confidence.

The signs were reinforced by an equivalent rise in sales of durable goods.

New credit extended by finance houses and retailers in April was 12.5 per cent higher seasonally adjusted, than in March, the Department of Trade said yesterday.

On a longer-term scale, retail advances in the last three months were four per cent higher than in November-January.

There was a small upwards revision in the final retail April index. The volume index was 106.7 (1967=100), seasonally adjusted, compared with the provisional estimate of 106.5.

This was only a slight drop on the index figure of 107 recorded in March, itself the highest since August 1976.

Taking the last three months together, the volume of sales was 1.8 per cent higher than in November-January, reflecting the additional spending power placed in the hands of consumers since the beginning of the year.

The steady increase in the volume of sales and hence purchases agreements since December tends to confirm expectations that a strong consumer boom will develop from about next month.

Retailers believe that their forecasts of a 5 per cent volume gain in sales from 1977 to 1978 are looking increasingly likely.

The underlying factor in the buoyant sales is the increase in personal disposable income. Figures released with the Budget showed that this will have risen by about 7 per cent in the year to mid-1978.

Accountants renew attack on local authority audits

BY DAVID CHURCHILL

THE ROW between two major accountancy bodies over local authorities' standards of accounting was revived yesterday.

The annual meeting of the Institute of Chartered Accountants in England and Wales passed a resolution making veiled criticisms of local authority auditors, who are mainly members of the Chartered Institute of Public Finance and Accountancy (CIPFA).

The resolution, passed overwhelmingly, called on the ICA Council to "take all practical steps to raise the minimum standards of accounting and management controls."

"Each of these jobs are being broken by members of CIPFA," he said. "Each breath invites public contempt for our profession."

"Each district audit report made by a member of CIPFA undermines the reputation of the audit report when members of the public are not aware of the distinction between the audit report on local authority accounts and the audit report on company accounts."

He described CIPFA criticism of his motion as "hysterical" and an "unprecedented attack" on the Institute.

CIPFA, however, maintains that "there is a degree of openness attaching to local authority accounting and accountability which is unparalleled in the private sector."

The dispute is likely to be raised again at next week's CIPFA conference in Edinburgh.

Callaghan not to stop home loans increase

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE PRIME MINISTER said yesterday that he would regret any increase in the mortgage rate but he would not wish to stop the building societies if they decided such a move was necessary.

The societies are due to meet on Friday and it is expected that investors' and borrowers' rates will rise by about 1 per cent. The mortgage rate now stands at 8.5 per cent and the net investors' rate on ordinary shares is 5.5 per cent.

Mr. Callaghan was replying to the Commons to a call from Mr. John Ovenden (Lab, Gravesend) for the Government to act to prevent any rise in the cost of home loans.

He asked the Prime Minister to tell the societies that higher rates would be "quite unjustified and unacceptable" in view of the societies' large reserves and now needed to help boost the inflow of funds.

Mr. Callaghan replied: "If they reach this conclusion, I would not wish to stop them doing it, although I would not like it. It is important that they maintain their own balances properly."

Ministers accept that if higher rates are likely, they should be introduced without delay in order to avoid the chances of one coinciding with an election campaign later in the year.

The societies' receipts have been sliding as general interest rates have risen and their own have become less competitive. Net receipts this month could be as low as £150m against £335m in April and nearly £600m last October.

Societies believe that higher investors' rates—also necessitating higher mortgage rates—are now needed to help boost the inflow of funds.

Extra jobs in prospect at Michell

By Our Own Correspondent

A NEW £4.5m factory for Michell Bearings, the Vickers Engineering subsidiary, was formally opened by Industry Secretary Mr. Eric Varley yesterday.

It represents one of the largest industrial rebuilding schemes in the North East, was completed six months ahead of time and attracted £1.2m in Government grants.

Mr. Varley said that Department's contribution would create 200 new jobs at Michell by 1980. At present, the factory, which makes Michell whitened bearings for marine and industrial applications, employs 500.

About one-third of the output is exported and yesterday the company announced a further order for bearings for a nuclear power station in France.

Government confirms £2m. plan to build test windmill

BY DAVID FISHLICK, SCIENCE EDITOR

GOVERNMENT PLANS to construct a giant windmill with an electricity output of 3.7 megawatts, at an estimated cost of £2m, as a full-scale demonstration of the latest technology of aero-generators, were confirmed yesterday by the Department of Energy.

As an initial step the Energy Department is to spend £250,000 in detailed design and component testing. If the results are encouraging, the aero-generator will be erected on a windy hilltop, possibly in Scotland.

The fundamental questions such a project might resolve are at what cost past design weaknesses in big windmills—which have tended to collapse—might now be overcome, and to what extent they will intrude upon the environment.

A modern aero-generator, taller than the biggest UK electricity pylons, could be as noisy as a helicopter, and could interfere seriously with TV and microwave transmissions.

The electricity supply industry, which is co-operating in the project, will want to explore the possibility of feeding its power into the grid, and the stability of output and load factor that can be expected from such a source.

The demonstration would probably be computer-controlled, both to steer into the wind, and to cut it out automatically at a certain minimum wind-speed and when the wind-speed became dangerously high.

The Department of Energy is taking a more optimistic view about windmills than the Parliamentary Select Committee on Science and Technology, to which the Government responded with yesterday's statement.

In a reply to two reports last year from the Select Committee—on alternative energy sources generally and on tidal power from the Severn Estuary—the Government has announced additional spending of just over £8m.

The main items of expenditure will be an extra £2.5m for wave-power seen, in the words of Sir Hermann Bondi, chief scientist at the Energy Department, as the energy source with the greatest potential for the UK, but the most difficult to tap.

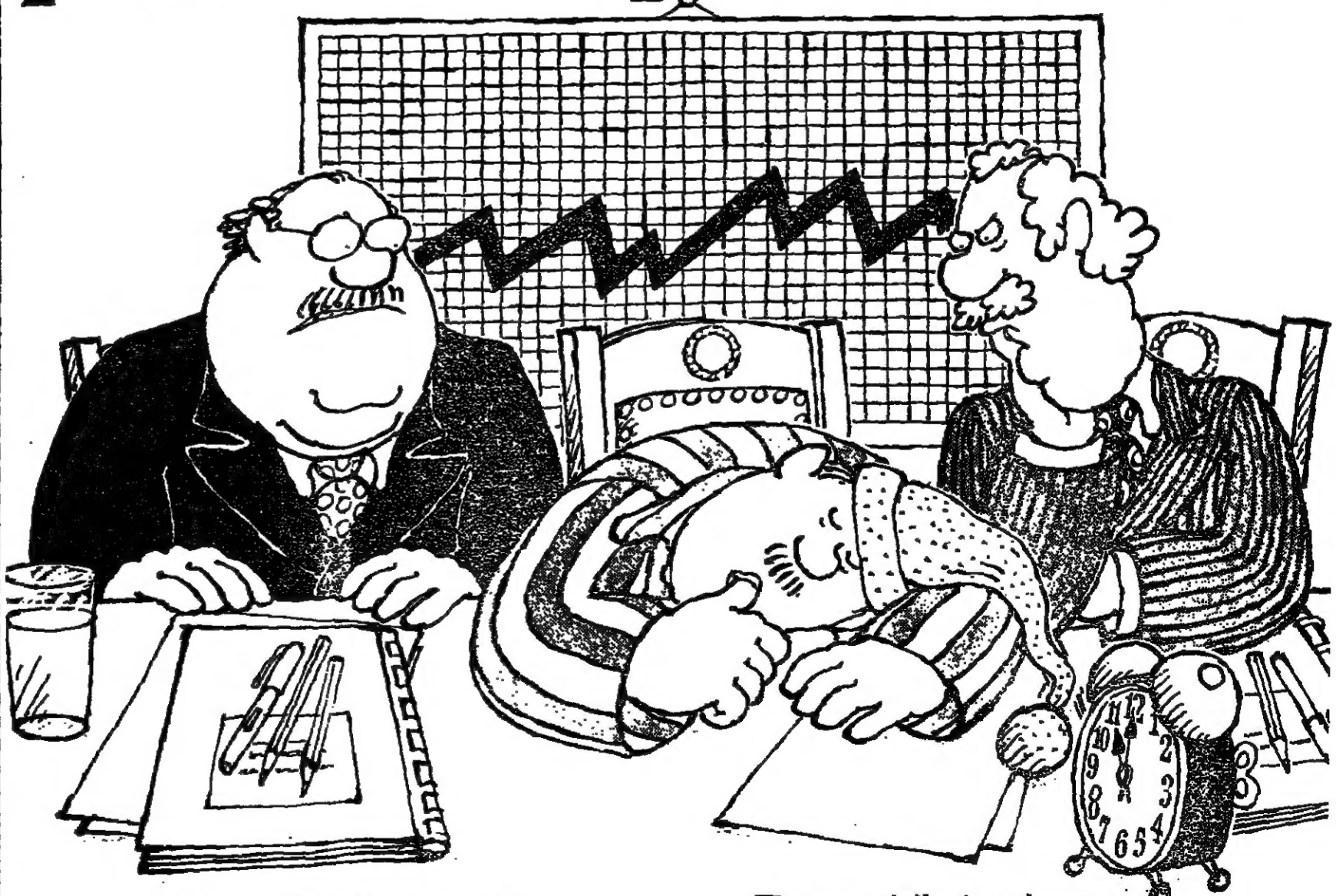
The Government is allocating another £1.5m to further studies connected with a Severn tidal barrage, chiefly for the manufacture and testing of prototype components.

Another £465,000 will be spent on studies of smaller aero-generators of about 100 kW output. And £385,000 is to be spent on investigating the potential of geothermal energy.

The Government stresses that the obstacle to quicker progress in developing these new technologies is not cash—as the Select Committee suggested—but the state of the technology itself.

The Development of Alternative Sources of Energy: The Government's reply to the Third and Fourth Reports from the Select Committee on Science and Technology, Cmd. 7236, SO, 40p.

You've got better things to do than sleep through your first day in Australia.



It's a long flight to Australia. When you get off the plane, the only place you'll want to go is bed, regardless of the time of day.

Qantas is the only airline with special direct flights which get you to Australia in the early evening.

You can go straight to bed at bedtime, and sleep off the flight through the night. Then get on with your business the next day.

In all, Qantas have 10 flights a week to Australia.

The specially timed ones leave Heathrow on Mondays, Thursdays and Saturdays at 10.30 and arrive at Melbourne at 18.20, and Sydney at 20.40, the next evening.

And as soon as you land, you can go straight to bed.

So the next morning you'll feel more like a dynamic businessman, and less like Rip Van Winkle.

QANTAS

We know the best way to Australia.

BAT moves to smoke out British rivals

BY STUART ALEXANDER

THIS call by Mr. Kirkland Blair, managing director of Carreras Rothmans UK, for a responsible attitude to pricing of cigarettes and less "wheeling and dealing," coupled with the announcement of price increases, must have sounded ironic to some in the tobacco trade.

Rothmans has been playing the numbers game in three years in which the UK market has been coping with a price war and a major change in the taxation system.

It has carefully timed its entries with selective price cuts, while goading its bigger competitors by dropping gift coupons and putting out of sports-sponsorship "to pass on the savings to the consumer."

Rothmans has been regarded by many as something of a cowboy on the cigarette marketing scene and has gradually built up its share of the UK market from 6 per cent to 12.15 per cent.

Its price cutting policy on all sizes of cigarettes has not changed the status of Rothmans King Size. It has worked hard on exports and last year opened new plants in Darlington.

This spring saw British-American Tobacco stride onto the scene, with guns smoking and spurs clinking, leaving existing protagonists watching the newcomer's energetic efforts to win admirers.

BAT was well aware of the problems of the UK market but had seen old brand loyalties abandoned as consumers were exhorted to become price-conscious.

So the decision was taken that the initial principal marketing weapon would be a major price cut—so big that it is possible to buy State Express 555 for less than some mini-cigarettes.

The company announced that it was prepared to spend £5m on its UK launch, but the figure is starting to look like a sensible underestimate if volume sales are achieved at these very low prices for any length of time.

The Rothmans move is a deliberate attempt to isolate BAT's State Express as a cheap brand and to ensure that any attempt by BAT to lift the price to more normal levels will be made very difficult if State Express is to hang on to its expensively-won, ensnared customers.

Rothmans' second play was to turn to retailers for support, with a rallying cry of a return to sensible profit levels.

In addition to a myriad of offers to the smoker, the introduction of new brands—including tobacco substitutes—and a major change in market profile as king size brands began to dominate, tobaccoists and newsmen have had to cope with the loss of nearly 5m copies of national newspapers.

CTNs—confectioners, tobaccoists and newsmen—are still the backbone of the cigarette retail trade, though they have been looking increasingly anxiously over their shoulders at the supermarkets.

As well as the retailers needing to make more money, all the tobacco manufacturers have said they would like to see improved profits.

Imperial, which owns W. D. & H. O. Wills and John Player, said yesterday that it would be happy to see a more settled industry and a general reduction in wheeling and dealing.

Gallagher said it, too, was examining the case for a price increase.

But no one knows how long BAT is prepared to maintain its present policy. Its Liverpool and Southampton factories have the capacity to meet large demand and its planning is sufficiently flexible to switch some other production to its Hamburg and Brussels factories.

But it is thought that BAT will have to raise State Express in the autumn towards the recommended retail price of 55p.

Some shops still sell the 45p per pack, and inside there are vouchers giving 2p off the next purchase. They are easy to buy at 46p and the average gap of 13p below recommended price is a very large one to make up.

Meanwhile, they are selling well.

Preliminary estimates show they may have taken over 3.5 per cent of trade deliveries in May—estimates which put Imperial's share down to 54.5 per cent—but the experience of the John Player King Size launch in 1976, when 100 cigarettes were offered for every 200 bought, has persuaded the industry to play a waiting game.

Players' early success was difficult to retain and it will be no easier for BAT.

MARKET SHARES	April	May
Wills	30.2	29.5
Player	28.5	25.0
Gallagher	22.1	26.5
Rothmans	12.0	14.5
P. Morris	1.0	1.0
BAT	0.2	3.5

can Tobacco stride onto the scene, with guns smoking and spurs clinking, leaving existing protagonists watching the newcomer's energetic efforts to win admirers.

BAT was well aware of the problems of the UK market but had seen old brand loyalties abandoned as consumers were exhorted to become price-conscious.

So the decision was taken that the initial principal marketing weapon would be a major price cut—so big that it is possible to buy State Express 555 for less than some mini-cigarettes.

The company announced that it was prepared to spend £5m on its UK launch, but the figure is starting to look like a sensible underestimate if volume sales are achieved at these very low prices for any length of time.

The Rothmans move is a

Industrial Market Research Limited announces three new reports on:

HOW BRITISH AND GERMAN INDUSTRY EXPORTS

	IN UK (£)	OUTSIDE UK (\$)
HOW BRITISH INDUSTRY EXPORTS	15.00	36.00
HOW GERMAN INDUSTRY EXPORTS	20.00	48.00
HOW BRITISH AND GERMAN INDUSTRY EXPORTS (a comparative study)	30.00	70.00

The reports provide detailed information on export practices in the United Kingdom and West Germany and are based on a survey of 560 companies in the two countries.

If you are interested in any of the volumes, please contact:

F. R. Sumbrook

INDUSTRIAL MARKET RESEARCH LIMITED

17, Bockingham Grove, London SW17 6AN. Telephone 01-834-7814. Telex 917036

HOME NEWS

Troubled mine gets £20m. more

BY PAUL CHEESRIGHT

NEARLY £20m will be injected into the troubled loss-making Cleveland potash mine at Boulby, north Yorkshire, this year, by Imperial Chemical Industries and Charter Consolidated.

So far about £100m has gone into the mine—£40m representing operating losses and the rest in capital costs. The mine is still producing at only 40 per cent. of capacity.

Plans for the injection were disclosed yesterday by Mr. Murray Hofmeyr, chairman of Charter. His group's annual figures show provision of £7.5m against the investment in Cleveland Potash.

In the year to last March, production was doubled, but the operation remains below the break-even point.

Latterly there has been a deterioration in industrial relations at the mine, checking a build-up in production which took place in March and April. "There is nothing holding back the mine except getting everybody to work together," Mr. Hofmeyr said.

This, Britain's only potash mine, represents the largest single investment in the UK mining sector, started production in 1973 but has never lived up to the expectations of the owners.

Solved

Early problems included the undulating nature of the potash seam, which varied in width and richness. The mine remains gaseous—a blow-out last August caused a death—its temperature is high, especially so to mine workers coming from a community with no tradition of underground work.

Many of the technical problems have now been solved. Over the past year wider seams have been mined and the ore grade has been higher. A drilling technique which pushes up to 1,000 metres ahead of the workings has increased the quality of ore to be mined.

More continuous mining machines have been introduced. They scrape rock and clear out the rock, reducing the need for explosives.

In March and April output exceeded 80,000 tonnes. More normally the output has been around 20,000 tonnes a month.

Prospects of bringing back production to the March and April level and then improving on it are seen by management as depending on an improvement in industrial relations. Negotiations on pay and an incentive scheme are expected soon.

Meanwhile, labour turnover remains high. Some 40 per cent of the mine's employees—now numbering nearly 1,200—have been on the payroll for less than a year. Absenteeism has increased in recent weeks.

At the same time, potash prices have gone against the operation. At around £43 a tonne, they are less than a year ago, while currency fluctuations have cut revenue. Few of the world's potash mines are making money under present conditions.

Mining news, Page 26

Ebbw Vale plan to boost tinplate output

BY ROY HODSON

BRITISH STEEL Corporation plans to invest a further £106m on tinplate production at Ebbw Vale, South Wales, where a £57m tinplate plant was opened yesterday, are believed to be regarded sympathetically by the Cabinet.

Such a development, in an area with a 16 per cent unemployment rate, would not necessarily conflict with EEC restrictions on higher steel output. A tinplate development at Ebbw Vale would be classed

as a "downstream" operation to improve the quality of raw steel production by British Steel.

Mr. Michael Foot, Lord President of the Council and MP for Ebbw Vale, said yesterday that he believed that the Government and the Corporation could be on the "verge" of a decision about the future expansion of Ebbw Vale tinplate production.

The development, opened yesterday, will provide an extra

100,000 tonnes a year of high-quality tinplate for the canning markets at home and overseas.

British Steel produced 1.1m tonnes of tinplate last year, and will raise sales to 1.5m tonnes this year. Tinplate is proving to be one of the few growth sectors in the iron and steel market.

The £106m future investment now being discussed for Ebbw Vale would provide several hundred new jobs.

Scandinavia air pact talks in August

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FURTHER TALKS on a new Anglo-Scandinavian air services agreement will be held in August, after the failure of a recent meeting in Oslo to settle outstanding differences on such matters as new air routes and future fares levels.

The Scandinavian countries gave one year's notice of termination of the existing agreement late last year. Unless a new pact can be settled by December 31, air services between the UK and Scandinavia technically must cease from January 1.

Although the present discussions have been slow, the UK hopes that a new agreement can be reached in time. The UK market provides gross revenue of £38m to UK scheduled airlines, primarily British Airways, with another £4m in charter revenues.

It is more valuable to the Scandinavians, however. Their joint airline, Scandinavian Airlines System (SAS), earns £39m a year on scheduled flights to the UK, and another £8m from charter operations.

Total business worth £88m a year is at stake, and this is expanding at about 9 per cent a year. The UK negotiators at the Oslo meeting made some big concessions to the Scandinavians, but were disappointed that these were not discussed at any length.

The UK, for example, conceded that it would be justified in asking for separate discussions with Denmark, Norway, and Sweden, but has agreed to negotiate a new bilateral pact with the three Scandinavian countries together.

Britain offered to open all UK cities with international airports to scheduled flights from all Scandinavian international airports—in effect creating a new "free trade area" in civil aviation between the two countries and Scandinavia that would eliminate lengthy negotiations over individual air routes.

The Scandinavian negotiators did not accept this proposal, largely, it is believed, because of fears that Scandinavia would be swamped with UK scheduled air services.

The UK then agreed to modify the scheme, and discuss some limits to the capacities available on the new routes that would be created between the two countries. This was also unacceptable.

The Scandinavian team countered with a proposal that certain existing routes between the UK and Scandinavian countries by independent airlines should be eliminated—such as Dan-Air's flights from Newcastle to Bergen, Stavanger and Christiania, the Air Anglia flights from Edinburgh and Norwich to Stavanger and from Aberdeen to Bergen, and British Caledonian's flights from Edinburgh/Newcastle to Copenhagen.

This suggestion the UK rejected outright.

It is expected that a meeting will be held before August to discuss the question of cheaper air fares between the two areas.

The UK's view is that present rates are too high, and that some reductions should be made with a view to boosting traffic. No date has been fixed for this latest meeting.

Go-ahead for iron pipe plant

Financial Times Reporter

BRITISH STEEL Corporation is to go ahead with an £18m development for the manufacture of large diameter ductile spun iron pipes by Stanton and Staveley, part of the Tubes Division.

The project is due for completion by mid-1980, and the main feature will be a new spun iron pipe plant at Stanton Works, near Nottingham.

This will cost about £16m, and will be backed by a £2m development at Staveley Works, near Chesterfield, to make large diameter pipe fittings. The scheme will create 135 extra jobs.

The new equipment, on a site alongside the central melting plant at the Stanton Works, will be capable of making 55,000 tonnes of spun iron pipes a year, with a maximum diameter of 1600mm (over 5 feet), and up to eight metres long.

The corporation says that this will meet a growing demand in the home and export markets, by more than doubling the existing plant capacity, and widening the product range by producing pipes of larger diameter and longer lengths.

To support the plant, the foundry at the Stanton Works will be modernised and upgraded to produce the larger fittings required. Finishing and coating plant, computer-controlled, will be included in the new production line. This will line and coat the iron pipes with concrete.

Government refunds road tax to 100,000 motorists

BY DAVID CHURCHILL

THE GOVERNMENT has refunded about £1m to almost 100,000 motorists who claim they were misled into paying too much road fund licence at the time of the March, 1977, Budget.

Nearly 206,000 people applied to the Department of Transport for a form claiming a refund licence reminders sent out for date last month 187,000 claims were submitted. The Department has paid 98,436 claims so far and has 38,000 to process.

Of these about 31,000 are believed outside the criteria for repayment set by the Department, but 30,000 claims have already been rejected.

The Department has not released details of the exact level of refunds, which vary according to the type and length of licence bought by the motorist. The figure is believed to be approximately £1m so far.

The refunds were offered by the Department after criticism by the Parliamentary Ombudsman of ambiguous wording on licence reminders sent out for date last month 187,000 claims were submitted. The Department has paid 98,436 claims so far and has 38,000 to process.

The reminders said that if the licence fee was increased in the Budget they would have to pay the new rate of tax. The licence fee was increased from £40 to £50, but this applied only to cars licensed after March 30, 1977.

Three members of the public complained to their MP, who told the Ombudsman that they had

delayed buying a new licence because they understood the reminder notice to mean that they would have to pay the higher fee even if they bought a licence before the Budget.

After studying the Ombudsman's report on Mr. William Rodgers, the Transport Secretary, decided that a mistake had been made and that it would be only fair to offer refunds to other motorists who claimed they were misled.

Critics of Mr. Rodgers' decision say that the Government has been too generous. It is unlikely, they claim, that some 100,000 people were misled by the wording.

Baby products concern backs charity

JOHNSON AND JOHNSON, the U.S.-owned baby and medical products manufacturer, is to join forces with the Save the Children Fund, Britain's largest international children's charity, in an eight-week U.K. promotion campaign to raise £20,000 for children's vaccinations in the Third World.

The scheme, the high spot in a £350,000 summer selling campaign by Johnson, may net the company an extra £1m in sales. During the nationwide campaign, starting on June 12, every Johnson baby product will be sold at cut-price and marked with a special "Save the Children £20,000 Appeal" tab. For every six tokens sent to Johnson, the company will forward £1, up to a £20,000 limit, to the charity.

OBITUARY

Sir Ian Lyle

SIR IAN LYLE, who died suddenly at his home in Somerset was chairman of Tate and Lyle from 1954 to 1964, then president until his retirement this March.

Sir Ian, 71, who was a great-grandson of Abram Lyle, founder of the sugar company which became Tate and Lyle, joined the company in 1931, becoming a director four years later. He played an important role in the company's successful fight against nationalisation between 1949 and 1951.

During his time as chairman, the company bought a controlling interest in the Canada and Dominion Sugar Company and also widened its interests in the UK, Africa and the Caribbean.

From 1948, Sir Ian was active in aims of industry (now Alms for Freedom and Enterprise) and was president from 1957 until this year.

A new factory plus new machinery worth £500,000 for less than £200,000 and no strings!

Whatever the gross cost of your expansion or re-location project you can save over 60% by moving to Newcastle. It's where Britain's best business package is waiting for you plus a range of ancillary benefits you'll find hard to beat. And all with no strings! Capital grants, long loans at low rates, tax allowances, rent relief, interest subsidies . . . you'll be pleasantly surprised — and not just financially either Look at what else is going for you in Newcastle:

Excellent Amenities

The biggest and most modern shopping Centre in Europe. See the City for yourself. Thirty minutes by car if you want to sail, walk in unspoilt countryside or birdwatch on the coast.

People

There's a pool of people you can choose from — skilled and unskilled and we'll put a team at your disposal to advise on housing, education and all re-location aspects.

Housing

In the North East, there is a good choice of housing and you don't have to spend half your life commuting if you want to live in the country. The City also has one of Britain's best records for council house building.

A1 Road, Rail, Air & Sea Services

London by rail in 3 hrs. by road in less than 5 hrs. Direct rail links throughout the country. Airport with regular national and international flights by BA, British Caledonian, Air Anglia and Dan Air. Deep water port facilities and direct sea links to Scandinavia.

Factories and Sites to choose from

Let us have your specifications and we'll supply you with a selection of buildings or sites to meet your requirements. You name it and we probably have it.

Custom-built Packages

Whatever your requirement, we'll tailor a package specially for you, including sites, buildings, people, plus all the cost-saving and funding schemes for your project. You'll have it on your desk fast, marked "Confidential".

High Speed Decisions

You'll find Newcastle's response is the fastest in the country, from enquiry to planning approval.

And there's more, including extra special grants exclusive to this region. The best business move you've ever made could be when you ask for more information about Newcastle. Write, phone or use the coupon.

Mike Foley, Civic Centre, Newcastle upon Tyne, NE1 8PP
Telephone: 0632 25180 or 610652.

Newcastle—could be your best business move ever!



City of Newcastle upon Tyne

To: Mike Foley, Civic Centre, Newcastle upon Tyne, NE1 8PP

NAME POSITION

COMPANY

ADDRESS

Please send me full information on the benefits of re-locating in Newcastle.

TEL:

Landesbank Rheinland-Pfalz und Saar
International S.A. Luxembourg

52, route d'Esch, Boite postale 84, Luxembourg, Telephone: 47 69 21 4, Telex: 47 54 91
Telex: 1835 mslu, Telex: 1835 mslu, Telex: 1835 mslu, Telex: 1835 mslu

PARLIAMENT AND POLITICS

Callaghan Minister relents on tax relief for self-employed

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BY IVOR OWEN

IF THE United States and the Soviet Union become embroiled in a new arms race, it could be "catastrophic" for both the economies, the Prime Minister warned in the Commons yesterday, when he again underlined the importance of securing an agreement on the limitation of strategic weapons.

At the same time, he strongly defended the stand he took in Washington last week in seeking to prevent the U.S. over reacting to Russian and Cuban involvement in Africa.

Mrs Margaret Thatcher, Opposition leader, sharply attacked Mr Callaghan for failing to support President Carter just when it seemed that the U.S. was beginning to take the lead in developing a more robust policy towards Soviet expansionism in Africa.

She asserted that by "playing down" the Soviet threat, the Prime Minister had indirectly encouraged the Russians to continue their African incursions.

Mr Callaghan, who had earlier been warmly commended from the Government benches for defusing what Mr Alex Lyon (Lab., York) called the "hysteria" which had seemed to be developing among Western nations over Africa, hit back strongly.

He told Mrs Thatcher: "There is no question of the United States wishing to be directly involved in military intervention in Africa and it is reckless for you even to suggest that they might be." British and American policies on the situation in Africa were closely related with both Governments fully appreciating the nature of the Soviet threat and the responses which had to be made to it.

Amid Labour cheers, the Prime Minister declared: "The Soviet Union knows that this Government is not just anti-Soviet for its own sake. We intend to live with this country in the world and not set up artificial conflict with it."

Replying to Mr Lyon, he explained that while the nations of the West had adopted a clear attitude about recent events in Africa, no clear policy had yet been evolved. "That is something which we have to continue to work on," he said.

Reaffirming his view that it was essential not to react to events in Africa in the context of an exclusively East-West conflict, the Prime Minister maintained that it would be far better for the West to try to help the African countries to solve their basic problems instead of concentrating on the symptoms.

But he agreed with Mr Peter Blaker (C, Blackpool S) that there was a dilemma in that further Russian involvement in Africa might deny the West an opportunity to deal with the root causes. Nevertheless, there must be some balance in the argument and he was glad that he had been able to interpolate a note of sanity.

The Prime Minister reporting to MPs on the NATO Council meeting in Washington and his visit to New York to address the UN special session on disarmament, recalled that he had stressed the central importance of a SALT II agreement which he believed could be obtained.

But he also spoke of feeling impressed and depressed by the consequences and possibility of another arms race without such an agreement. "That is why I am not trying to raise the temperature with the Soviet Union or anybody else. I am trying to lower it."

Tory 'battle plans' attacked

THE Prime Minister yesterday warned the Tories against an attack on Labour Party plans for future industrial conflict.

As he clashed with Tory Leader, Mrs Margaret Thatcher, when the Commons resumed after the spring recess, he smiled and said: "There seems to be an early outbreak of party skirmishing, just as we have got back."

As far as the Government's own programme was concerned, this, would "appear in due time, and will utterly satisfy State, said in the Commons yesterday.

Replying to Tory attacks over the Government's attitude to the closed shop, Mr Walker accused the Opposition of a lack of concern for those workers denied the right to join unions.

He recommended that they read a speech on Monday by Mr David Bessett, general secretary of the G.M.W.U., who insisted that the Tory campaign against the closed shop was naked political opportunism.

Mr Robert Kilroy-Silk (Lab., Ormskirk) who accused the Tories of "cynical opportunism," said that the Government's attitude on the issue was "staggeringly complacent."

He referred to a former British worker who was taking his case to the European Court of Human Rights.

A SURPRISE tax concession for the self-employed who spent part of the year working overseas was announced yesterday by Mr Robert Sheldon, Financial Secretary to the Treasury, when the committee stage of the Finance Bill resumed in the Commons.

The Budget proposals provided a measure of tax relief for self-employed people and members of partnerships who are resident in the UK and who work abroad for at least 80 days in an income-tax year.

The Tories had put forward an amendment to have the term to 30 qualifying days, thus bringing the self-employed into line with employed persons who were given a similar tax concession in last year's Finance Bill.

Much to their surprise, Mr Sheldon accepted the amendment despite the fact that he has been given a similar tax concession in last year's Finance Bill.

This means that those self-employed who work 30 days abroad can for tax purposes deduct 25 per cent of the profits from the trade attributable to the days worked abroad in the year of assessment.

The concession was greeted with a cheer from the Opposition, who have been pressing for such a move for some years. But they saw it as a belated move on the Government's part and which prompted it to the reasons which prompted it.

The saw it in the hand of Mr.

Harold Lever, Chancellor of the Duchy of Lancaster, who is in charge of the Government's drive to convince the self-employed that the Labour Administration is not hostile to them.

Mr Sheldon made it plain to the committee that the alteration to the Bill should be seen as proof of the Government's desire to help the self-employed. "This will be well-received as evidence of our intentions concerning the efforts of the self-employed and those who contribute so much to our international involvement in trade," he declared.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

He said there had been formal arguments against such a concession. It was more difficult to monitor the number of days spent abroad by the self-employed, who had more freedom of movement than employed people.

However, the Government had come to the conclusion that this was outweighed by the need to remove the distinction between the employed and self-employed who spend part of their time working abroad.

Mr Nicholas Ridley (C, Cirencester and Tewkesbury) said the Tories were extremely thankful for the Government's acceptance of the amendment. But if Ministers were prepared to change their minds so rapidly, why was the 60-day rule put in the Finance Bill in the first place?

He accused the Government of introducing oppressive tax provisions and then making concessions as if it were some great reform in administration. "I don't think this is much of a concession. I look upon it as a grievous error which has now been put right."

Mr Peter Rees, one of the Tory front bench Treasury spokesmen, recalled that when the 30-day concession was made to the employed last year, Mr Sheldon had said it was too difficult to meet the Tory demands for it to be extended to the self-employed.

He thought Mr Sheldon had seemed to be arguing that because self-employed people had more control over their own movements, then they had been "on the side."

Mr Rees complained: "A Labour Administration is never prepared to trust the self-employed. Labour proceeds from the premises that the self-employed are by definition 'twisters and evaders. We don't believe the tax system should be tailored with that in view."

Mr. Rees said: "A Labour Administration is never prepared to trust the self-employed. Labour proceeds from the premises that the self-employed are by definition 'twisters and evaders. We don't believe the tax system should be tailored with that in view."

Mr. Rees said: "A Labour Administration is never prepared to trust the self-employed. Labour proceeds from the premises that the self-employed are by definition 'twisters and evaders. We don't believe the tax system should be tailored with that in view."

Mr. Rees said: "A Labour Administration is never prepared to trust the self-employed. Labour proceeds from the premises that the self-employed are by definition 'twisters and evaders. We don't believe the tax system should be tailored with that in view."

Mr. Rees said: "A Labour Administration is never prepared to trust the self-employed. Labour proceeds from the premises that the self-employed are by definition 'twisters and evaders. We don't believe the tax system should be tailored with that in view."

Mr. Rees said: "A Labour Administration is never prepared to trust the self-employed. Labour proceeds from the premises that the self-employed are by definition 'twisters and evaders. We don't believe the tax system should be tailored with that in view."

Mr. Rees said: "A Labour Administration is never prepared to trust the self-employed. Labour proceeds from the premises that the self-employed are by definition 'twisters and evaders. We don't believe the tax system should be tailored with that in view."

Mr. Rees said: "

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOLEERS

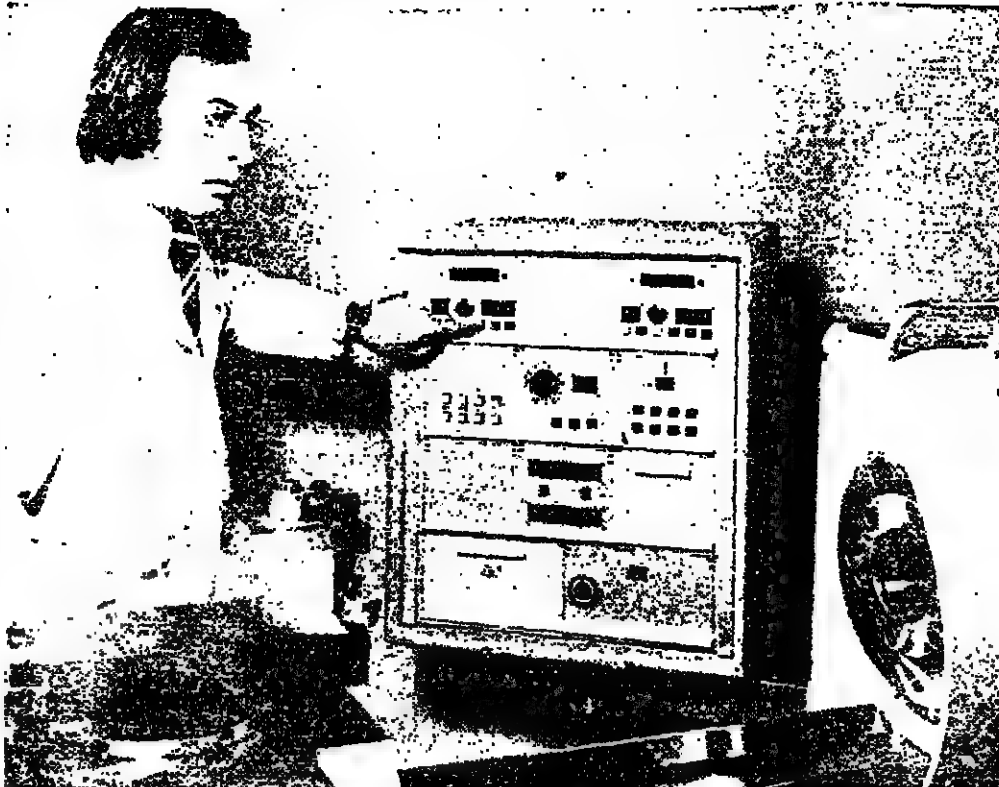
OIL TECHNOLOGY

Steelmaking sure of an important pipeline

X-RAY CRAWLERS for the inspection of heavy duty pipelines are to be applied by BIX International to Salspau SPA for operation on the massive steel pipeline project which will link the Tunis with southern Italy. The line will cross the Mediterranean to Sicily and then pass under the Straits of Messina at depths between 1,800 and 2,000 feet. The 20 inch pipe will have walls about 1 inch thick. Laying will take place from the Castore G. laybarge and initially, BIX will familiarise engineers with the use of its three crawler units, as well as maintenance routines. The weld inspection operation is expected to last for four to six months and work will begin next month. BIX Series 2 machines provide

METALWORKING

Modernises the simple tools



This is the control section of a two-part version of the Talisman equipment for the automation of basic machine tools, such as lathes, drills and mills.

TALISMAN describes equipment by Toolmasters Controls for automating basic machine tools — lathes, drills and mills — in a most simple and inexpensive way. The technology has been kept unsophisticated, and it can be adapted to fit either new or existing equipment. Individual display modules show the position of each machine axis and control its movements. Each module has two independent counters which indicate either the position from an absolute datum point or an incremental movement. Push-buttons, marked with simple arrows, cause the machine to move. The feed-rate of the machine movement is selected by a rotary switch on the display, to give rapid, jog, or controlled feed-rate. The machine moves on a predetermined distance, when the required figure is dialed on the thumbwheel switches and the direction button is pressed. The display modules generate pulses which are fed by way of the cassette recording unit to the motor drives; these provide the power for the stepping motors and drive the screws relating to each machine axis. The cassette recorder registers the pulse trains and also the signals for the auxiliary functions and, on play-back, takes complete control of the machine tool. Toolmasters Controls, Peninsular Road, Woodley, Reading, Berks RG6 4BX.

ELECTRONICS

Stabiliser for a hovercraft

DISPLAYED BY Marconi Avionics for the first time at International Naval Expo in Rotterdam is an electronic stabilisation system it has developed and tested in conjunction with Hovermarine Corporation for use on the latter's rigid sidewall hovercraft. Derived in Britain, these Hovermarine craft have been developed with support from NRDC, although the company is wholly U.S. owned. The Hovermarine vessels, a very large capacity one of which is an advanced stage of development, lack the ability to come up on land which is one of the characteristics of the full

hovercraft. But with sidewalls, propellers and rudders constantly in contact with the water, they have exceptional manoeuvrability and a high turn of speed. The autostabilisation system has been tested on an HM2 version, which can operate as a ferry, and it applies controlled movements to the angled rudders so that rolling motion can be damped out at it occurs. Rotterdam port has four of these vessels (HM2 Mark 4's) on order for a number of applications and the new development is expected to extend the possible areas of use for this versatile craft, apart from naval operations.

The same group is showing an automatic low-light camera which operates all the way from starlight to sunlight conditions without human intervention. Offered in this instance for naval purposes, its suitability for surveillance in many conditions clearly provides other areas of use. More data from Marconi Avionics, Airport Works, Rochester ME1 2XX, 0423 44400.

Simple current control

FIRST programmable constant current source integrated circuit to be offered has been developed by National Semiconductor. This unique device, the LM 134, is also designed to operate as a current-mode temperature transducer. As a current source the circuit will replace field-effect transistor current sources as well as discrete circuitry in such applications as oscillators, light metering, time delay, power supplies, impedance matching, micro-power biasing and active filters. As a current-mode temperature transducer, the LM 134 is designed for remote temperature sensing applications now requiring as much as 25 to 250 mV of discrete and hybrid circuitry. It is programmable over a 10,000 to 1 range in operating current, from 1 micro-ampere to 10 milli-ampere, by means of a resistor between the trim terminal and the negative terminal. Current range can be extended by the addition of a PNP transistor to the circuit. The upper range of this combination is limited only by the drive capability of the external transistor. Programmability is one of the LM 134's chief advantages over discrete FET current sources. Previously it was necessary to stock a wide range of FET devices to assure the circuit designer had the specific current output necessary, and if it were a particularly low yielding specification it was necessary to pay a premium for the part. With a single part, the LM 134, a user can now set any current output he might want. National Semiconductor, 19, Gullington Road, Bedford, MK40 3LF. 0234 211262.

BCIRA
SOLVES YOUR
FOUNDRY PROBLEMS
ALVECHURCH - BIRMINGHAM
Telephone Redditch 66414
Telex 337128

PUMPING

Continuous feed unit

COMPLEMENTING ITS range of high pressure, low flow, peripheral pumps, is a new range called PSTN from British Guinard Pumps, Kernan Drive, Loughborough, Leics. Constructed in all bronze to pump hot or cold water, the pumps, says the company, are particularly suitable for use as a feed pump on small boilers, steam raising machines, and other situations requiring high pressure at low flow of clear liquid. The pumps are close coupled to a 0.5 hp induction motor running at 2900 rpm and models are available for use on single phase or three phase electrical supplies. The motors are rated for continuous operation. More on 01507 0654 or Loughborough 31572.

In Scotland

MANUFACTURER of a range of liquid, metering, mixing and dispensing equipment, Liquid Control, at Kettering, now has full sales and service representation in Scotland following the appointment of an agent in Glasgow. The Glasgow company is TSR Engineers (Coatbridge) which has recently moved to new premises at 222, Main Street, Baillieston, Glasgow G68 6AG (041 771 8488).

CONFERENCE

Boss 79 in London

BECAUSE INCREASINGLY rigorous conditions under which oil-winning structures have to work demand a continuous revision and development of the technology governing such operations, a second international conference on the Behaviour of Offshore Structures will be held at Imperial College, London, from August 27 to 31. It will cover waves, currents and fluid loading, the statics and dynamics of structures, material properties and behaviour, soil mechanics and foundation engineering, and the interactions between these disciplines. Further details from the Conference Secretariat, BOSS 79, BRRA Field Engineering, Cranfield, Bedford MK43 0AJ. 0234 750423.

HANDLING

Bars safely straightened

LATEST HEALTH and Safety intended and outlawed, both motivated by Schrader cylinders. The entire machine cycle takes about 15 seconds and bars of up to 11 inch diameter of new required length can be handled. The company says it chose pneumatics to control the machine because they are less likely to break down under the adverse working environment — swarf, scale, dust and vibration — than fully electrical control systems. Pneumatic control valves are all contained in a dust-proof cabinet and the operator can render the circuit tamper-proof by a lockable valve. A prototype is already in operation at Firth Brown of Sheffield. More from the company at Walkmill Lane, Cannock, Staffs WS11 7LR (Telephone 2544).

COMPUTING

Currency terminals success

FOLLOWING THE successful trial by American Express in Edinburgh and Glasgow offices of currency exchange computing systems developed by Software Micrologic, further equipments are to be installed at the Nice, Amsterdam, Munich, Lucerne and Vienna offices. Providing a solution to the time consuming and costly problems of account balancing during or after-closure of business, each of the currency systems will have a special-purpose keyboard with keys for specific functions and for most-used currencies. Each terminal also has a single line visual display and a tally roll printer with audit trail record. The terminals act as input/output devices to the controlling Texas Instruments 990/4 processor — handling the calculation and recording of currency exchange transactions — and provide on-line facilities for the interrogation of current balances for example. The use of mainframe-compatible discs permits the transfer of branch accounts to a central system when necessary. More on 0252 44321.

TRANSPORT

Hungarians buy British

BUDAPEST PRFV (the equivalent of Budapest City Council) has just taken delivery of 20 vehicles from Air Drive of High Wycombe as part of a £1m contract involving the conversion of Bedford KB-7 tonne vans into completely independent self-clearing site vehicles. The British conversion incorporates a chassis-mounted 100 cfm air compressor driven off the vehicle's engine to power road

breakers and a pneumatic compactor and a skin handling system enabling each vehicle to transport load and off-load three self-lifting skips, giving a total capacity of 1.6 cubic metres of asphalt, rubble, etc. This innovation, says the company, provides the opportunity in the field of small site workings for real single vehicle operation on road crossings, resurfacing, and routine maintenance, as well as in the emergency field for gas, electricity and water authorities. One vehicle, with a two or three man crew can arrive on site, dig the surface with the breakers, make necessary repairs, resurface and compact, and return to base with all rubble and spoil involved.

IN THE OFFICE

Speeds the passage of papers

DESIGNED FOR use in the medium sized office or factory, is a mid-range airtube system called PaperLink from D. D. Lamson, Gosport, Rants. Using a single length of tube, the carrier can connect up to twenty five send/receive stations. Cylindrical carriers take papers from any station to any other station. The forced air flow, by which carriers are quietly propelled along inside the tube, starts when a carrier is put into a send station and its destination then keyed into the station's central panel. Air can flow in either direction along the tube depending on the location of the carrier's destination. Once the carrier has arrived the air flow is switched off automatically to save power. More on 07017 87311.

COMPONENTS

Moving into plastics

WEST PHARMARUBBER which has for the last ten years specialised in rubber moulding for the pharmaceutical and health care industries, has announced the formation of a company in association with the Johnson & Jorgensen Group, to manufacture injection moulded plastics products for the same industries. More than £1m will be initially invested in the company to provide an additional but completely independent manufacturing unit for customers of Johnson & Jorgensen (Plastics) with concentration on developing specialised items for the health care industry. More on 01-692 0377.

Modular keyboard

AVAILABLE from Electronic Engineering Services of Penze, London, SE20, is a keyboard system which can be supplied either as a fully commissioned customer specified unit or as individual key board components which can be assembled in mosaic fashion to suit the requirement. Maximum height above the circuit board base is 15 mm and the keys have a plunger movement of 4 mm. This Rad RST6 system offers six basic key-top styles (coloured lamp and LED versions available) which can be fitted to either conventional gold-plated contact switches, or contactless Hall effect devices. More on 01-659 4926.

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

DOING BUSINESS IN THE ORIENT?



When you're doing business in the Far East, it helps to have the right connections. It's important, too, to have convenient travel connections. To arrive fresh enough to ensure a successful visit. Connections like the four SAS express routes with 9 weekly flights from Copenhagen. SAS has a way and a day to suit your timetable.

SAS
SCANDINAVIAN AIRLINES
Serving: London, Delhi, Karachi, Manila, Singapore, Tokyo, Bangkok — with good connections to Hong Kong.

A pig for most jobs

A MULTI-USE pipeline pig Called the Vantage IV, it is lightweight, easy to assemble and maintain. The design is consistent throughout the size range of 16 inches to 48 inches so that one pig body may accommodate more than one size cup and says the company, the conical shape of the flexible urethane cups ensures longer wear and excellent sealing ability. More from the company's European headquarters at Chaussee de Charleroi 47, B 1050 Brussels (32 2 536 86 42).

Sensing rig reactions

EMI ELECTRONICS of Woking has been awarded a contract by Shell Expro for two geotechnical and meteorological data logging systems to be installed on the offshore platforms A and Brent C platforms. The mini-computer-based systems process the output from 60 sensors on each platform and record measurements of deep and shallow pore pressures, deck and casing movement, short term weathering, temperature, wave height, wind speed and direction, barometric pressure, etc. Automatic monitoring of each channel in a given sequence can be overridden either manually or by a pre-set alarm condition. In addition to a mini-computer, each system incorporates an analogue, digital and frequency interface unit, multi-channel

INSTRUMENTS

Tested as it moves

FORBIT has launched equipment which allows the wear on bearings and other moving machine parts to be measured without stopping the machine in which they are incorporated. In practice, drive to the machine is switched off just long enough to enable accurate deceleration measurements to be effected. The build-up of frictional forces within the moving mechanism — can then — be accurately estimated on a periodic basis. But the machine is never required to stop until



The compleat industrialist's choice.

Whether Isaac Walton ever fished the Usk matters little — this solitary angler is only 15 minutes from central Newport, the development area that offers excellent communications and fine leisure facilities. With direct motorway links to London, Birmingham and the North, Newport commands a work force of well over a million within a 20 mile radius and is a

natural choice for industrial expansion. Add to these benefits the wide range of sites and a helpful council and it is easy to understand why so many leading companies have re-located here. So follow others' success — find out more about Newport by contacting the Chief Executive, Civic Centre, Newport, Gwent. Tel: 0633 65491.

NEWPORT
Where business has room to boom.

The Management Page

After last week's look at the re-organisation of Babcock and Wilcox, the managing director of its boilermaking company, Ron Campbell, gives his personal view of the characteristics of a manager

The personality mix which makes for good teamwork

THE QUALITIES a manager should have are well-known: integrity, ability to get on with people, clear-sightedness, stamina, persistence, orderliness, creativity, decisiveness, self-reliance. He should also have good knowledge of the field in which he is to operate; or alternatively the type of quick, receptive mind that allows him to learn rapidly and translate his experience in related fields to the problems of the new one.

Another is the ability to receive signals from other people. First of all this means listening to what they say. But it also means being receptive to all the other visual signals involved in communication between people—facial expressions, body movements, etc. Only by receiving full feedback will the manager understand how others are likely to respond to proposed courses of action.

It is surprising how often one comes across otherwise very able people who have a blind spot in this one area and can give a quite contrary impression to the one intended, when, for instance, they are talking to their staff, because they are not aware that some of their words had been incorrectly interpreted. I have been in situations where two people have been talking at each other and not communicating—where they needed someone to interpret what they were trying to say to each other.

Another important attribute is intelligence. But we need to differentiate between intelligence and cleverness. I like the definition given in the Financial Times recently—the "faculty of understanding," as opposed to cleverness which was defined as the ability to process information in the manner of a computer. In management it is intelligence we are looking for. Not so useful is the highly intellectual person who can see all facets of a problem but either cannot stand back to see



Managers are born either No. 1s or No. 2s

what are the really important issues, or who tries to set policy on strictly logical grounds, forgetting that the policy has to be implemented by imperfect human beings.

Managers who score high markings in all the desirable qualities are very rare; we therefore have to arrange teams to cover weaknesses and utilise strengths to the full. The manager with a lot of flair and creativity may well be rather unmethodical, but harmonious relationships can be set up which harness the strengths of two people. It doesn't matter too much who works for whom in some cases as long as the personalities are compatible—a necessary requirement of any successful partnership.

Where it does matter who works for whom is the arrangement of what I call No. 1s and No. 2s in any team. By No. 1 and No. 2 I mean not the relative positions they occupy but their personalities.

The No. 1 is the natural leader, with the qualities of self-reliance, independence of thought, ability to gain respect and to motivate others. The No. 2 is the man who, while he can

be an extremely useful member of the management team, lacks these qualities, particularly that of self-reliance. I see the No. 2s as batteries who run down when things are difficult and who need to plug into battery-chargers—the No. 1s—to restore their energies. Managers are born either No. 1s or No. 2s. No amount of training will turn one into the other.

Subservient

I have written as though everyone can be fitted into one category or the other. In fact, there must be continuous spectrum in this as in any other human quality and it is the relative positions in the No. 1/No. 2 scale which matters when considering how two people will work together, particularly if the No. 1 is to be subservient to the No. 2.

But why put a No. 1 under a No. 2? The answer is that there are many teams with a total management structure, with the same individual occupying different positions in different teams. Unless all the No. 2s are to be found at the bottom of the overall structure—and that

is not sensible, bearing in mind the need for experience at the different levels—then some of the teams must have No. 1s reporting to No. 2s. Points where this occurs are potential sources of discord, particularly if the two individuals are a long way apart in the No. 1/No. 2 scale. Nowhere is it more important to avoid having a No. 2 in charge of a team than at the top of the management structure. It is bad for the health of the company or division if that is allowed to happen; and bad for the health of the manager himself. He will tend to collect other No. 2s around him to avoid the discomfort of having to deal with No. 1s, who tend to be more prickly individuals. The inevitable result is poor team performance.

I believe that if we could measure positions across the No. 1/No. 2 spectrum, for a team to register a good performance its average mark would have to be above a certain figure. This condition can be fulfilled by having a team leader who is very high in the No. 1 scale with a lot of No. 2s as his immediate subordinates, but in this situation there is the disadvantage that the heir-apparent is not being trained.

There is one other classification into which I would divide managers: doers and be-ers—those whose satisfactions derive from achievement of work or of status. The worst possible situation for No. 1 members of a team occurs when the leader is a No. 2 and is also a be-er. This can only lead to the maximum frustration.

Looking at the top structure of a company, both chairman and managing director ought to be No. 1s, their talents and experience should be complementary.

Ron Campbell is managing director of Babcock and Wilcox (Operations) which will have a controlling interest in the proposed boiler-making company to be formed with Clive Chapman.



Will U.S. product liability awards be enforced here?

BY A. H. HERMANN

JUDGMENTS IN American courts on product liability claims for compensation may be enforced in the U.K. if the claimant can show that the award is enforceable in the U.S. A draft UK/US convention on civil judgments, which has already been passed in the U.S. and is now being considered in the U.K., would provide for the enforcement of such awards in the U.K. if the claimant can show that the award is enforceable in the U.S. A draft UK/US convention on civil judgments, which has already been passed in the U.S. and is now being considered in the U.K., would provide for the enforcement of such awards in the U.K. if the claimant can show that the award is enforceable in the U.S.

As the law stands in the U.K., a claimant who has won a judgment in an American court for compensation for personal injury or property damage caused by a defective product, can only enforce the award in the U.K. if the claimant can show that the award is enforceable in the U.S. A draft UK/US convention on civil judgments, which has already been passed in the U.S. and is now being considered in the U.K., would provide for the enforcement of such awards in the U.K. if the claimant can show that the award is enforceable in the U.S.

It could happen that a British-made car built ten years ago, which was sold in the U.S. and crashed against a wall 10 years later, at the present UK courts would not be held liable for the accident. The injured passenger and the family of the killed driver could claim that the accident was due to a failure of the steering gear and ask for damages in the U.S. court. If the British maker of the car only managed to prove that the accident was not due to a failure of the steering gear, the accident could be awarded compensatory damages in the U.S. court. To establish jurisdiction under Article 10/1 of the Convention such an advertisement directed to the territory of the U.S. but U.S. courts could possibly hold that advertising

Such a judgment, which is enforceable in the U.S. and is now being considered in the U.K., would provide for the enforcement of such awards in the U.K. if the claimant can show that the award is enforceable in the U.S. A draft UK/US convention on civil judgments, which has already been passed in the U.S. and is now being considered in the U.K., would provide for the enforcement of such awards in the U.K. if the claimant can show that the award is enforceable in the U.S.

On the other hand, some of the awards made by U.S. juries seem to ignore the fact that the manufacturer cannot prevent all accidents. For this reason the implementation of the Convention would make it even more difficult to obtain liability insurance cover for British export products than it is at present.

According to a recent report by Lloyd's, British product liability underwriters are currently asking for premium rates of up to 20 times the UK rate for the products being imported to the U.S. Because under the Convention U.S. jurisdiction would be extended also to goods which were not exported to the U.S. but were available elsewhere and subsequently taken to the U.S., product liability underwriters may well increase premiums also for products exported to other destinations.

The impact of the Convention would not be limited to British exports alone. Under the U.S. Jones Act, for example, which provides for strict liability for accidents on vessels at sea, a U.S. court can assume jurisdiction whenever the foreign owner of the ship has a U.S. affiliate. Leading British companies now seem to be quite alarmed about the proposed Convention. With the threat of U.S. product liability awards, it is only surprising that they have not reacted sooner. The explanation of this may be that though the draft of the Convention was published in October 1976 it was not publicised until a few months ago; industry and insurance companies began to protest only when the Department of Trade asked their views.

Strict U.S. liability laws, large awards by juries, and contingency fee actions brought without risk of legal costs means the effect of the Convention could be very one-sided.

There is little doubt that all aspects of the proposed Convention should be discussed very thoroughly while there is still time to revise the draft.



Promotional and technical literature for export sales to the Arabic-speaking countries of the Middle East and Iran must be translated and typeset in the idiom and style the market demands, by specialists

BRADBURY WILKINSON (GRAPHICS) LTD
NEW MALDEN,
SURREY KT3 1NH
TELEPHONE: 01-947 3471

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

An author's royalties

A UK author has royalties this year of £30,000 from an overseas country which has a DTR arrangement with the UK. These royalties are taxed in the overseas country at an average level of 50 per cent (though the tax rate is 70 per cent) i.e. the tax paid overseas is £15,000, leaving £15,000 remitted to the author in the UK. The author who gets no allowances or tax relief in the overseas country has an other earned income in the UK of £10,000 (gross), giving a total gross income of £25,000.

Would you please tell me what relief the author could expect to get in respect of the £15,000 paid overseas. Is it a fixed amount or is it a fixed proportion of the total income?

As you do not disclose the name of the country in question (and since double taxation agreements vary from country to country), it is difficult to give you a helpful answer. Assuming that the country is the OECD (the particular double taxation agreement you have in mind does not limit that the country's right to levy tax on literary royalties (and we must assume that you studied the agreement before writing to us), equipment, say, by means of then the short answer to your question is that the author's UK tax bill on the doubly taxed hire purchase agreement, and

royalties will be reduced by the amount of the foreign tax bill. However, this short answer may be deceptively simple, because there are almost certainly complicating factors in the particular circumstances of the case you are concerned with. Before the draft of the foreign tax bill should be converted to sterling at the rate of exchange for the day on which it fell due for payment. This will almost certainly be different from the rate (or rates) of exchange used in the foreign tax bill. It is not simply a matter of comparing the effective rate of tax overseas with the marginal rate of tax payable in the UK.

The size of the author's income and the potential complexity of his tax position (in the UK and overseas) appear to justify the expense of professional guidance.

Leasing plant

I have several pieces of agricultural machinery which are now in the secondary period of leasing. The agreements say that if I dispose of the plant I have to remit the money received back to the leasing company. Is there any way in which I might be able to buy fresh equipment before writing to us, either a lease with option to purchase or by a straightforward tax bill on the doubly taxed hire purchase agreement, and

MANY OF THE HOSPITALS WE REPLACE ARE PHYSICALLY ILL!

And many of the communities they serve are unable to conveniently finance needed new hospital construction. We are helping to provide America with quality health care facilities and contain health care costs at the same time.

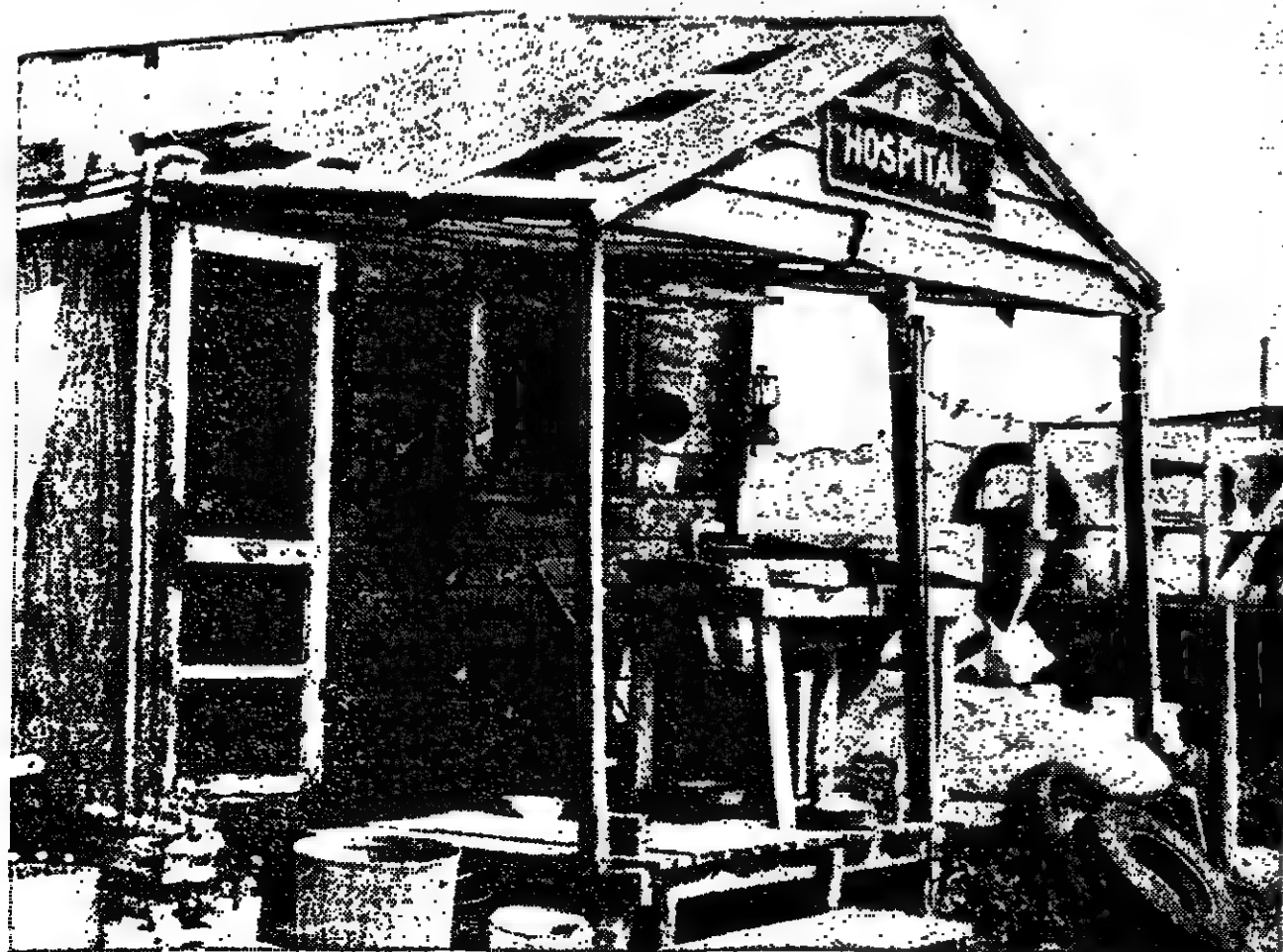
Each year we build new hospital facilities for 5-6 communities to replace outdated, inefficient, energy-guzzling, expensive-to-maintain old hospitals. Then we operate them as businesses, paying their own way, paying their taxes, providing good jobs for local people, and providing a fair return to our shareholders. Our experience and expertise in the operation of quality health care facilities can be translated into dollar savings. That's the secret of our success and the reason we have grown from one hospital in 1968 to almost 100 hospitals in 1978, and have maintained an annual growth rate of more than 20 percent. In 1977 revenues totalled \$627 million.

Many of the hospitals we replace are sick, but the health care business is healthy. Write for more information.



HOSPITAL CORPORATION OF AMERICA

One Park Plaza
New York, NY 10022
(212) 512-9000



Catch the sun daily in London.

Only National flies non-stops Heathrow—Miami—Tampa and onwards seven days a week.

Contact your travel agent or National Airlines, 81 Piccadilly, London W1V 9HF (01-629 8272). National Airlines Inc. is incorporated in the State of Florida U.S.A.

America's sunshine airline.

National Airlines

INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help—Send a donation today to:
Room F.1.
Multiple Sclerosis Society of G.B. and N.I.
4 Techbrook Street,
London SW1 1BJ

SEMINARS

LIE DETECTOR SEMINAR

27th JUNE, INN IN THE PARK, W.1

Communication Control Systems Inc. and 20th Century Security Education present the first seminar in Europe to use the unique Voice Stress Analyzer Mark IX-P. The seminar will cover the entire subject of lie detection from theory and development to applications, by explaining the techniques of interrogation, practical use and legal considerations.

If you feel you should be part of this important seminar please apply to Communication Control System Inc., 13 Wilton Mews, London, S.W.1. Telephone 01-235 9112.



Summer Suit

The summer has just begun for the light grey suit. Here, a quality you can feel, a class you can see in the single breasted DAKS suit with creased trousers. 55% mohair, 45% wool grey suit with blue double window pane overcheck. £179.00.

The Simpson card—your key to right flows of something special

Simpson (Piccadilly) Ltd, London, W1A 2AS. 01-734 2002. Open 10.00-7.00 pm, Thursdays, 9.30 pm, Saturdays.

One of the world's most powerful families.



Behind everything that BMW does lies the basic aim to develop and improve. Even if the 'best' has already been achieved it can always be bettered. For BMW this goes back a long way. There were the altitude record breaking aero-engines of sixty years ago, then came the shaft driven motorcycles. And today, after a long and continuing career of successful motor racing, there is BMW's exclusive range of high performance

luxury cars. BMW is both unique and highly individual. We alone produce a range of exceptional cars along with what are almost certainly the best superbikes in the world.

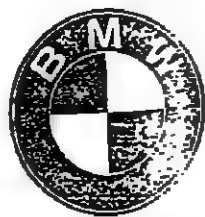
This progression, and the use of power and imagination to improve the way and the style in which we live, is essential to BMW's philosophy. It is something we believe we share with those who own a BMW.

Leasing. In today's financial conditions leasing a BMW can create substantial advantages. Your BMW Centre will be happy to put you in touch with expert advisors on leasing who can describe the schemes in detail.

Car prices:
316 - £4,249. 320 - £5,349. 320A - £5,729. 323i - £6,249.
518 - £5,599. 518A - £5,989. 520 - £6,499. 520A - £6,889.
525 - £7,490. 525A - £7,880. 528i - £8,599. 528iA - £8,989.
633CSi(A) - £14,799. 728 - £9,449. 728A - £9,874.
750 - £11,149. 750A - £11,574. 753i - £12,149. 753iA - £12,574.

Motorcycle prices: R60/7 - £1,699. R80/7 - £1,899.
R100/7 - £2,099. R100/S - £2,499. R100/RS - £2,999.

All car prices include front and rear seat belts, car tax and VAT. Number plates and delivery extra. Prices correct at time of going to press.



For the joy of motoring.

BMW Concessionaires (GB) Ltd., 991 Great West Road, Brentford, Middlesex. 01-568 9155. Export, NATO & Diplomatic: 56 Park Lane, London W1. 01-629 9277.

FINANCIAL TIMES SURVEY

Wednesday June 7 1978

Political
strain
begins
to show

by David Tonge

GREECE

Four years after the fall of the junta, the growing polarisation between left and right indicates that some central problems of Greek politics remain unresolved. The economy needs modernisation, and there is the question of the country's future relationship with NATO and with the EEC.

NEXT MONTH will see the fourth anniversary of the afternoon when the Greek junta called the self-styled Constantine Karamanlis back from Paris. But it is an indication of lost opportunities that even today the question persists of how stable is parliamentary government in Greece.

The past four years have seen the formal abolition of a four-decade-old monarchy, the promulgation of a new constitution, and two parliamentary elections. They have also seen the Karamanlis governments re-establishing the weight of the institutions of state such as the armed forces, police and civil service, tainted by the junta. But this has been achieved by protecting these institutions from popular demands for purging and by re-directing them to serve the governments of today. It has not been the result of any major cleansing from them of the individuals whose open or secret support buttressed the junta.

As a consequence the tradition of neo-authoritarian rule first practised by the Bavarian King Otto who was imposed on Greece in 1832 has to some extent been maintained. The hopes of those who resisted the junta that its withdrawal would be followed by a major rebirth of Greek life have yet to be fulfilled. Further, the institutions have kept their spirit of dominating and blocking change at just the time when change is not only being demanded at a popular level but is also being forced on Greece as a side effect of the impending accession to the EEC.

The Government is thus under the pressure of both the opposition and the expectations

of Western Europe. Articulation of these expectations is still muffled, in part because of a lack of awareness in many quarters of how far Greece lags behind the Community in the social and economic field, and in part because members of the EEC have become accustomed to identify the political fate of Mr. Karamanlis with the parliamentary future of Greece.

But an increasing understanding of the situation in Greece and a reluctant acceptance in EEC circles—if not those of NATO—that the socialist leader, Mr. Andreas Papandreu, is in the last resort a buffer against Communism mean that from Western Europe too the pressures on Mr. Karamanlis must grow.

In Greece itself the problem is historical in that by the mid-1960s the institutions, which had evolved after the defeat of the left in the civil wars of the 1940s were no longer able to meet popular demands for more open government. Indeed, when the junta fell, calls for a purging of the state machinery were not aimed merely at punishing those guilty of arbitrariness during the seven-year dictatorship but also at ensuring the "democratisation" of the state machinery. And this with two aims: to protect Greeks from further political abuse by the ultra-conservatives entrenched in the state machinery; and to meet the calls for more equitable administration.

In this field the controversy still rages. The government claims that the army is loyal to democracy and a coup is unthinkable; that the police are slowly accepting the legalisation of the Communists and Mr. Papandreu's right to challenge Mr. Karamanlis for power; and

that the mechanism of justice and the civil service are back on course.

But the Opposition sees things differently. They believe that the army is loyal only to the right and not to the principles of parliamentary rule and popular sovereignty. They argue that the police often seem to condone the growing bunch of right-wing militants who have beaten up journalists and attacked left-wing offices. And they point to the results of leaving the whole process of purging in the hands of an unpurged judiciary. Only a handful of the junta's notorious military torturers are still in prison, while almost all the civilian torturers whose activities led to the Colonels being forced out of the Council of Europe in 1969 escaped prison. Most are no longer serving in the security forces but there is the occasional press report of a known torturer being promoted.

Also the subject of debate is the State's interference in union activities, its frequent confrontations with the workers, the violent methods used by the police, and the delays in carrying through a number of basic reforms. These include granting legal equality to women, reforming the penal code and divorce laws, speeding up permissions for the return from the Eastern bloc of the Communist refugees from the civil wars and lifting the impediments to opposition access to the State media.

Such arguments lie behind the growing polarisation of Greek political life. But there are equally heated arguments about foreign policy. Mr. Karamanlis has charged Greece on a course of affirming its links with the West, in particular through accession to the EEC.



It has been a consistent policy which he has followed with determination and on which he has staked his reputation. He is also seeking a return to military co-operation with NATO from whose military wing Greece largely withdrew in 1974 in the wake of the Cyprus debacle.

But on both such policies he

has been roundly attacked by even in the less demonstratively anti-American climate in Greece today strike some chord among the many Greeks who blame the U.S. both for the economy, to his call "No to the EEC of the multinationals." His party, PASOK, has renewed its attacks on NATO as a "permanent threat to world peace" and "an aggressive imperialist mechanism" — attacks which

to the Turks over the Aegean on the grounds that it means bargaining away Greece's sovereign rights and frontiers and followed a tough line on Cyprus.

Today Greek politics has become a bitter battle between these two. Last November's elections saw Mr. Karamanlis's share of the vote slip from 54.4 to 41.9 per cent and Mr. Papandreu nearly double his vote to 25.3 per cent. All the indications are that in a world of volatile party loyalties he has continued to gain ground. The centre collapsed to a mere 12 per cent of the vote and its subsequent intra-party battles mean that at present it is a negligible force. On the right the National Rally won 6.8 per cent of the vote and its youth has since been active. On the left the Communist Party of Greece (KKE), a pro-Moscow party, consolidated its position with 9.8 per cent of the vote. But the limited size of the "industrial proletariat" where it enjoys support and the fact that most of the agricultural population are smallholders, and the party's total exclusion from the state machinery—let alone, as to a lesser extent is true for Mr. Papandreu, from the state media—mean that talk of a Communist danger is far fetched.

The municipal elections due in October are important in that they will provide concrete evidence of whether PASOK and the KKE will be able to sink their differences—particularly over foreign policy—to the extent of presenting a joint challenge to Mr. Karamanlis. At present, time would seem to be on Mr. Papandreu's side in that there is a steady swing

in his favour, to the extent that Mr. Papandreu, who once seemed to be opening his policies towards the centre, now appears to be waiting for the centre to come to him.

But perhaps just as crucial is that he is 12 years younger than the Prime Minister, who is 71 and who has yet to establish an heir.

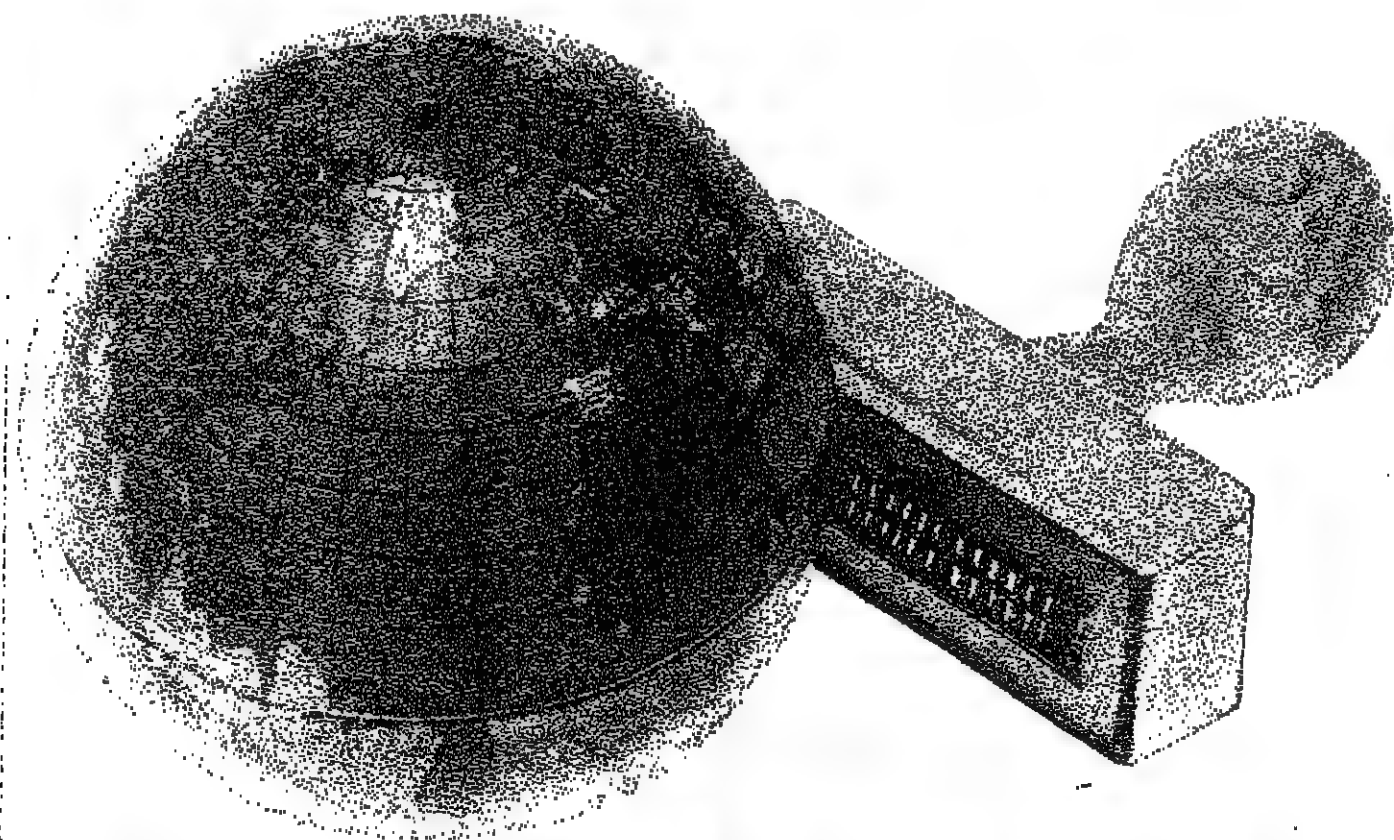
The New Democracy party is very much his personal creation and it is questionable whether it would survive his departure. Its leading personalities are now Mr. Evangelos Averof-Tossitsa, Mr. George Rallis and a forceful newcomer to the party, Mr. Constantine Mitsotakis.

Mr. Averof-Tossitsa, who has been Minister of Defence since the fall of the junta, walks with his customary catlike skill on the right of the party. Mr. Rallis, a powerful figure who holds the reins of the party organisation, has considerable administrative ability but despite his impeccable conservative credentials there is some resentment within the party at some of the reforms he has introduced.

As for Mr. Mitsotakis, crucial for his future will be his success at reviving the flagging economy, but even if he succeeds in this many members of New Democracy will still question the reliability of this latecomer to their ranks and who in the mid-1960s was their opponent.

What happens to these will be influenced by the extent to which Mr. Karamanlis tries to impose his choice on his party, when he either chooses to take a deserved rest or seek election as President. His closest advisers say that he is keeping his options open. Potentially the Presidency is a powerful post, even though its present incumbent, Mr. Constantine Tsionas, has followed Mr. Karamanlis's apparent wishes in pursuing a purely formal role and has not even made one state trip abroad.

Equally important for the future will be the timing of Mr. Karamanlis's next step. His advisers say he does not wish to leave the train until it reaches at least one of his chosen stations — obtaining Greece's accession to the EEC or resolving the problems with Turkey over the Aegean or the Cyprus dispute. And while these are proving hard stations to reach, the once-distant challenge presented by Mr. Papandreu slowly mounts.



our trademark
is worldwide...

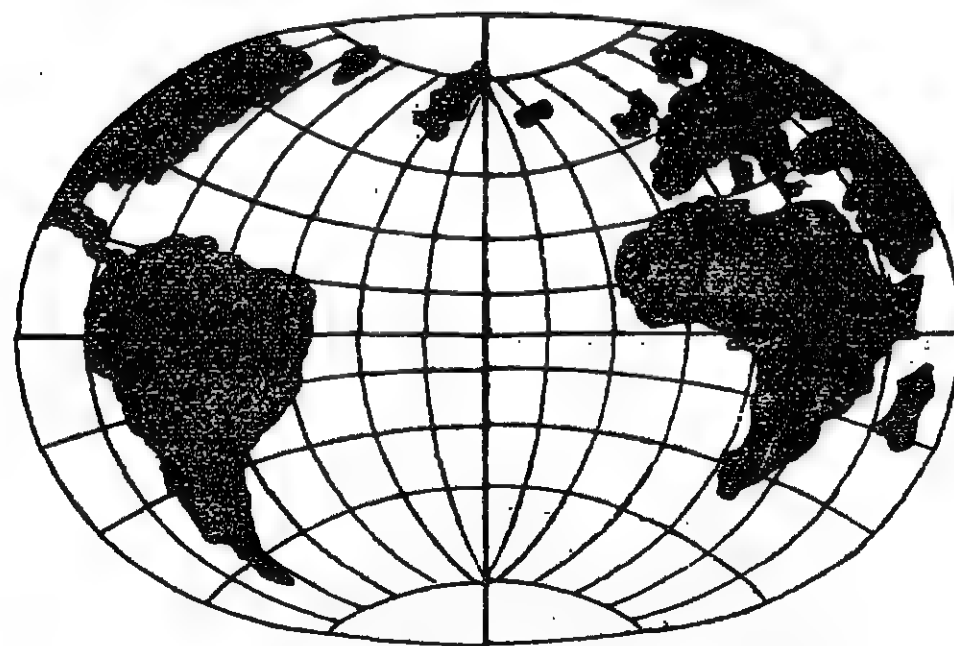
it stands for modern
international trust and service



NATIONAL BANK
OF GREECE

LEADING THE ECONOMY SINCE 1841

greek exports
a triumph
of quality



GREECE

HELLENIC ORGANISATION FOR THE PROMOTION OF EXPORTS S.A.



24, Stadiou street, ATHENS 132, GREECE Tel: (01) 3226871-8
Telex: 216852 HEPC GR.

مَكْزَا مِنْ الْأَصْلِ

Task of updating the economy

ONE MONTH ago there was an abrupt change among the personalities running Greece's economy. In place of his mandarins from the 1950s who had been acting as economic overlord, the Prime Minister, Mr. Constantine Karamanlis, brought in the forceful liberal maverick, Mr. Constantine Mitsotakis, to head the Ministry of Co-ordination. As Minister of Finance, he appointed Mr. Athanasios Kanellopoulos, a lively academic who used to belong to the political centre.

By entrusting direction of the economy to men from outside his own party, Mr. Karamanlis was recognising the need to give it fresh impetus. Growth is well below the rates of the late 1960s. Private manufacturing investment is lower in volume than in 1973. Consumer prices are rising at 12-13 per cent, well above the average in the OECD; and the drachma has been falling at an annual rate of around 14 per cent against the currency of Greece's

main trading partners. Mr. Karamanlis himself appears to believe that it is not the policies of the past four years which have been proved wrong, but their application. For all the Press talk of an "opening to the centre" there are doubts about whether any major policy shift should be expected. The Ministers themselves tell visitors that their priorities are "putting the house in order" and, like their predecessors, tackling inflation. Despite their backgrounds the Ministers are preferred by industrialists to their predecessors.

The respected Athens economist weekly *Oikonomikos Tachydromos* stresses the problems the Ministers would have in introducing any changes and also emphasises the role the Prime Minister himself has played in running the economy. It sees three difficulties faced by previous Ministers—the way the Prime Minister's office has

often rejected ministerial proposals; the international business slowdown; and the way that the intense political importance given to Greece's entry to the EEC has "paralysed everything" in the economic field.

Behind all this is the rough legacy that the dictatorship bequeathed its successors. Four years have passed since the Colonels' junta fell, but still the Greeks are having to pay the bills it left behind.

The economy continues to suffer from the downturn it took even before the 1973 world oil crisis. It has to bear the massive millstone of defence expenditure needed to handle the confrontation with Turkey which the junta unleashed. Equally, after seven years of repression, the workers are pressing their demands—while industrialists are only adapting slowly to the change from the police economy of yesterday to the more open society of today.

But though the junta period contributed to the present acuteness of many of these problems, it is also true that where the structure of the economy is concerned the junta only exacerbated existing problems. Today the impending accession of Greece to the EEC makes the facing of these problems increasingly complicated, crucial and overdue.

This year the authorities expect GNP to grow by 5.4 per cent in volume—well below the 7.8 per cent annual average recorded during 1963-73, the heady decade of the "Greek economic miracle."

Last year growth was held back by a decline in agricultural output and by sluggish growth of manufacturing output. The Governor of the Central Bank, Professor Xenophon Zolotas, attributes the mere 2 per cent increase in manufacturing output to a slowdown in the growth of exports, following the slow growth and "increased protectionism in Western Europe," and to a shift of domestic demand towards imported manufactures.

One of these of the Karamanlis Government —even if this has taken only a few steps to correct the scandals of the junta period and to improve the poor safety and abysmal pollution records of Greek industry.

The Government has now prepared a Bill setting out reinforced incentives for industry. One of its aims is to spread industry outside the Athens-Piraeus area where at present three-fifths of industrial employment is concentrated.

Manufacturing accounts for around 20 per cent of GNP, which is lower than the share in Turkey and significantly lower than in Portugal, Spain or Italy of 15 years ago. The high importance of services such as tourism and shipping is described by Professor Zolotas as a "permanent feature of the Greek economy since antiquity." As such it is not necessarily a weakness but it does mean that a large trade deficit is a structural feature of the economy; that to expand the economy as a whole it is not sufficient to stimulate only manufacturing; and that marginal expenditure has a high import content. As one economist at the Bank of Greece says, "When we take measures to stimulate our economy, it is the factories of our trading partners which benefit."

Such problems are aggravated by the nature of Greek manufacturing units. From the products angle, Greece is strong in textile production and this would be a healthy sector but for European protectionism. But much recent investment, particularly by foreigners, has been in the field of mineral processing or "white goods." Such plants as Pechiney's Aluminium de Grèce have relatively low local value-added and do not foster ancillary industries. Equally, the white goods depend heavily on foreign technology and imports. The import content of manufacturing inputs in general is relatively high.

Greece still exhibits the classical attributes of a dual economy. Alongside the relatively few large units exists a plethora of small workshops. In 1975, 84.4 per cent of Greek manufacturing units employed four or fewer people and 8.2 per cent between five and nine people.

These small units have long been discriminated against when it comes to obtaining bank finance or official licences. But they survive. The Government's view is that their flexibility will preserve them from the chilly winds of unrestricted competition after the full dismantling of tariff barriers. This is due in 1984 under the existing Treaty of Association with the EEC.

The industrialists themselves are becoming increasingly concerned about the implications of entry. A recent study by IOBE, the Institute of Economic and Industrial Studies, which works closely with SEB, the Council of Greek Industrialists, stressed that "The free establishment of foreign industrial companies in Greece is likely to cause severe problems of competition for the products of certain branches."

Among the branches listed are food processing, chemicals, pharmaceuticals and many household goods. The study also expresses fears about the obligatory lifting of non-tariff barriers to trade.

Such fears are one of the factors which caused overall manufacturing investment to decline in 1977—and still to be showing only few signs of recovery. A second factor has been the rise in labour costs and the erosion of profit margins from the very high levels to which industrialists had become accustomed during the junta period. Industrialists have also been complaining at the "social mania"

people are living through."

The new Karamanlis Government is now elaborating an updated version of the plan for the period 1978-82.

With planning yet to be forged as a weapon, the State continues to rely on its traditional tools to guide the economy. Of these the bluntest is taxation. The 26 per cent share of taxation in total GDP is relatively low compared with levels in the majority of OECD countries, but what is particularly striking is the unbalanced distribution of tax revenue. Despite years of OECD urging 74 per cent of tax revenue still comes from indirect taxes. This division hits the lowest income groups hardest and means that fiscal management of the economy is difficult. Attempts at reform are limited to the introduction of such requirements of EEC membership as VAT.

Equally, tax evasion is rife, particularly among the self-employed. Even the present Minister of Industry, Mr. Nikolaos Papanicolaou, a former leader of the Greek

Secretary of Finance, believes that it costs the state 25bn drachmas each year.

Such an amount would cover almost half of this year's budget deficit. This deficit, together with price support and subsidies and the losses of state trading enterprises, was equal last year to slightly over 6 per cent of GNP, according to the IMF. This deficit was as usual largely financed by obliging the banks to buy Treasury bills—a practice criticised by the IMF not least since "financing of the budgetary deficit has contributed to monetary expansion..."

Such policies and the inevitable inflationary impact of when the structure and tools of administration are to be changed. He argues that while some sectors such as agriculture are bound to provide complications the problems are being overcome. One of the changes in hand is the establishment of a foreign exchange market in which the commercial banks will be able to deal.

David Tonge

BANK OF CRETE

HEAD OFFICE: ATHENS - GREECE

CONSOLIDATED FINANCIAL STATEMENT AS AT: DEC. 31, 1977

(In comparison to balance sheet as at Dec. 31, 1976)

ASSETS	31/12/77 In Drs.	31/12/76 In Drs.	Net Increase
Cash in hand and Banks	564,805,000	251,990,000	+124%
Govt Treasury Bills	531,350,000	127,950,000	+315%
Securities Portfolio	67,643,000	21,258,000	+218%
Loans and Discounts	1,308,009,000	840,181,000	+104%
Premises	333,134,000	211,805,000	+57%
Furniture-Equipment	12,836,000	7,611,000	+69%
Other Assets	45,343,000	31,227,000	+45%
Our Branches Accounts	2,880,920,000	1,298,386,000	+120%
Guarantees Issued	632,184,000	259,335,000	+144%
Memorandum Accounts Assets	1,111,773,000	471,738,000	+136%
TOTAL ASSETS	4,904,977,000	2,029,459,000	+127%

LIABILITIES	31/12/77 In Drs.	31/12/76 In Drs.	Net Increase
Share Capital	840,850,000	378,576,000	+43%
Reserves	240,785,000	93,799,000	+157%
Provision for depreciation of assets	7,300,000	3,100,000	+135%
Deposits	1,630,427,000	869,968,000	+143%
Due to Banks in F.G.	182,487,000	73,236,000	+149%
Margins & Customs Dues	32,893,000	24,646,000	+33%
Cheques & Payment Orders	109,227,000	11,196,000	+876%
Dividends Payable	43,252,000	-	-
Other Liabilities	73,924,000	43,835,000	+69%
Letters of Guarantee	2,880,920,000	1,298,386,000	+120%
Memorandum Accounts Liabilities	632,184,000	259,335,000	+144%
TOTAL LIABILITIES	4,904,977,000	2,029,459,000	+127%
Net profit for the year	50,130,000	10,271,000	+388%

Athens, February 28th, 1978

P. Dukakis
Vice Chairman

C. Zolotas
General Manager

HEAD OFFICE: 9 Korai str., Athens 192
Tel. 3243742 (8 lines) - Telex: 4165
Cable: KRETABANK

Greece means not only marble, columns and amphoras...



Today, Greece means business

We're proud of our past. We're proud of our present, too. Today Greece is exporting over \$ 2.5 billion of goods to 40 countries. That adds up to a good bit of territory — nearly 200,000 km — 148 times the length of Greece.

In the past, our ideas have always been far-reaching. Our ideas today are no exception. We're now manufacturing a range of goods from jewelry to cement and our ever-expanding industrial growth is putting our products all over the map. All of this activity means business today in Greece.

Come to the Thessaloniki International Trade Fair and let's do business. We've got all it takes for a great international business meeting. Two special days (September 18

and 19) for commercial visitors exclusively. Participants from 40 countries. A wide selection of products from the latest in technology to the finest in popular handicraft. A location that attracts the best business minds of three continents. And a holiday setting that combines the glory of times old with the freshness of a sea breeze.

You're invited... to see Greece today at the Thessaloniki International Trade Fair where Greece means business. And the past is ever-present.

Official Carrier **OLYMPIC**

43rd THESSALONIKI INTERNATIONAL TRADE FAIR

10-24 SEPTEMBER 1978

Thessaloniki 56, Greece - Cable: FOIRINT Thessaloniki - Telex: Thessaloniki (41) 291; Athens 5604 - Tel. Thessaloniki: (031) 271.823

Whether you're flying cargo to Corfu, bosses to Benghazi or someone's nearest and dearest to Nairobi most people agree about the National Airline of Greece.

Olympic Airways. The only airline that flies from London

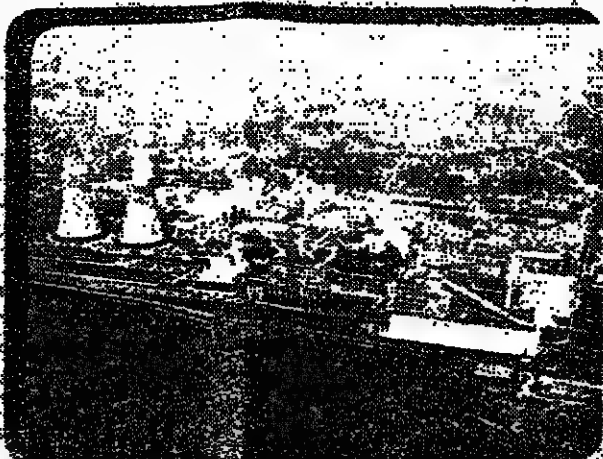
to the whole of Greece. And the Middle East, Africa, U.S.A. and beyond. In a way that most people sum up in a word. O.K!

Olympic The Airline

Olympic Airways, 141 New Bond Street, London W1Y 0BB. Telephone: 01-493 7262.
504 Royal Exchange, Manchester M2 7FF. Telephone: 061-832 5236.
124 St. Vincent Street, Glasgow G2 2HG. Telephone: 041-221 5368.
36 Cannon Street, Birmingham B2 5EE. Telephone: 021-643 3155.

OLYMPIC AIRWAYS
The National Airline of Greece.

HELLENIC INDUSTRIAL DEVELOPMENT BANK S.A.



Greece,
a valuable link
between three continents.

ETBA,
your friendly adviser
and potential partner.

HEAD OFFICE: 10-20, ST. SYNGI, 10562 ATHENS, GREECE
BRANCHES: 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

ETBA

GREEK TOBACCO



Renowned
for excellence
the world over

THE NATIONAL TOBACCO BOARD OF GREECE-ATHENS

The excellent properties of Greek tobaccos make them suitable for blending in all American and European-type cigarettes, where they are used to a greater or lesser extent as an admixture and refining element for making smoking lighter and less harmful. They are particularly favoured by consumers in the countries of the European Economic Community.



ERGOBANK

the greek
EUROBANK

36 Panepistimiou Street - Athens 143 - Greece
Tel. 3601-011 19 - Telex: (21) 9278 ERBA GR

GREECE III

Foreign affairs

GREECE HAS always had the problem of just how forceful and independent a foreign policy a small country can follow. Since the Second World War governments have sought to answer this question by linking Greece's fate with that of the West. But Greece's partial withdrawal from the military wing of NATO in August 1974 reflected the widespread resentment at an alliance which, in Cyprus, had failed to prevent two of its members from clashing. Now, as the Prime Minister, Mr. Constantine Karamanlis, seeks to repair Greece's ties with NATO and to institutionalise its economic and political links with Western Europe through membership of the EEC, the public debate on the future alignment of Greece is again becoming acute.

PASOK, the main opposition party, is calling on Greece to follow the examples of, say, Sweden, Austria or Malta. The Communist Party of Greece would like to see Greece look to the Eastern bloc. Such debate takes place against the stormy background of Greece's disputes with Turkey. These are at present one of the determining factors in Greek public life—and yet the level of public information is not high. There is not one Greek journalist based in Ankara and most of the news reaches Greece through official channels. The picture the newspapers give is consistently one of a troubled, backward and impoverished

neighbour liable to seek external adventures to divert attention from its domestic problems.

While public feelings run high in government circles too there is grave concern for the future. To the West the Prime Minister, Mr. Bulent Ecevit, may be the Turkish politician most likely to be able to progress the Cyprus dispute towards a settlement, but the Greeks remember him for presiding over the Turkish occupation of 37 per cent of the island. There is disappointment that the Turkish side's proposals on Cyprus made in March were insufficient to allow President Spiros Kiprianou to favour a reconvening of the intercommunal talks. And there is a sceptical approach to the genuinely aggrieved protestations of the Turkish side that their proposals were only a beginning and are negotiable.

Arguably the Cyprus dispute is unlikely to flare up and, by itself, again, the two NATO allies to the threshold of war. But it is a running sore which makes more difficult any attempt to tackle the dispute which now has more potential for conflict, the Aegean.

Here the two countries are at odds over air, sea and land—albeit only land under the sea. The continuing quarrel over delimitation of Flight Information Regions means that the Aegean remains closed to international air traffic. Where the sea is concerned, there is a equity, counter that the Anatolian land mass is more im-

limits of territorial waters. At present Greece's territorial waters are set at six miles. The Turks are worried that Greece might extend the limit to twelve miles. This would, they say, effectively cut the sea links between ports such as Izmir and the rest of Turkey. For them this would be, they have told the Greeks, a cause for war.

Access

The Soviet Union, which is also concerned with access from the Black Sea through the Aegean, has itself stressed the need for the Aegean to remain open. Asked about Greek intentions, the Greek Minister of Defence, Mr. Evangelos Averof - Fossitis, stressed: "In whatever case arises the communications of any ships under whatever flag between the Dardanelles and whatever port south of them will be respected by Greece and will always be free. The Aegean has many Greek islands which have rights defined by international law but at the same time the Aegean is an international sea and under all circumstances this will be respected by Greece."

As for the seabed, the Greeks cite international conventions which stipulate that islands generate rights over their continental shelves. The Turks, basing their arguments on an equity, counter that the Anatolian land mass is more im-

portant in this respect than the islands off its coast.

The arguments on such subjects are highly complex and perhaps less important than the underlying fears of the two putative allies. Turkey is concerned that the Greeks may seek to use the islands as a wall to block in the Turks. It also argues that the dispositions made by NATO at the height of the cold war—Turkey being allocated the Black Sea and Greece being allocated much of the Aegean—need reconsidering.

For its part, Greece has the nightmare that, if its outlying islands should become surrounded by a zone of exclusive Turkish military and economic influence, they would wither and drop into Turkish hands.

The Government suggests that the problems of the air and seabed should be put in the hands of independent bodies have been rejected by Turkey. In March the Prime Ministers of the two countries finally met but the dialogue they sought to start has yet to become one of substance. The next step is a meeting in Ankara in July between the Secretaries General of the two countries. Foreign Ministers—perhaps too high a level to enter into the technical details and too low to find political solutions.

Greek proposals for a non-aggression pact has just been revived.

The U.S. has valuable bases on the Greek mainland and in particular on Crete—an island which potentially controls all sea exits south from the Aegean. But for NATO and the Warsaw Pact, Turkey is strategically the more important and the more unpredictable. One senior assistant to Mr. Karamanlis, when asked if Greece might consider following Turkey's example of gently flirting with the USSR, replied: "But Moscow looks on us as a second-rate country." And the suggestion that Greece might follow Mr. Papandreu's calls for a more non-aligned policy is countered with the question of "How many battalions does the Third World have?"

In fact, under Mr. Karamanlis, Greece has made some opening to the Arabs and has initiated greater inter-co-operation in the Balkans. In a belated response to détente it is also about to send its Foreign Minister, Mr. George Rallis, to Moscow—the first such visit by a Greek Foreign Minister since the Second World War.

But its emphasis has been on tackling its problems within the framework of the UN and in particular of the institutions of the West. The U.S. Administration's attempts to persuade Congress to repeal its arms embargo on Turkey have not helped the government's pro-west policy. But it has made a number of steps towards repairing its military links with NATO. It is seeking the establishment of a Greek command post in Larissa or Salonika directly linked to the NATO headquarters in Naples. This would parallel the arrangements between Turkey and the alliance which come into effect on July 1. The Greeks complain that Turkey is floundering in its attempts to complete such a

BASIC STATISTICS

Area (square miles)	50,944
Population	8.17m
GNE (1976)	Dr 779.2bn
Per capita	Dr 94,973
Trade (1976)	
Imports	Dr 221.8bn
Exports	Dr 189.5bn
Imports from UK	\$149.2bn
Exports to UK	\$64.6bn
Trade (1977)	
Imports from UK	\$220.4m
Exports to UK	\$95.6m
Currency: drachma, £1 = Dr 68.28	

process.

However, the opposition sees NATO as being at the root of many of Greece's problems, and in particular as being responsible for the junta and the Cyprus debacle. Mr. Papandreu is also arguing that the EEC is little more than the economic arm of NATO and is serving notice that he contests the idea of Greece becoming the tenth member of the Nine.

For its part the Government is pressing ahead with seeking membership. It hopes this will be by 1980, while the EEC Commissioner responsible for enlargement of the Community, Sig. Lorenzo Natali, talks of "the entry of Greece being realised by 1981."

Motives

The Government's motives are as much political as economic—the belief that membership will help preserve democracy in Greece; and, though this is unspoken, reduce the chances of conflict with Turkey. As such there is a tendency to underestimate the major economic consequences which entry will have, particularly for the small holders and small manufacturing units which form the basis of the Greek economy.

While negotiations now appear to be going smoothly, some pro-Marketters stress concern at the way that statements of political will by the Community for the accession of Greece are regularly accompanied by gestures in support of Turkey. It is of course a difficult balance which the Community has to strike but the anti-Marketters are on the look out for any indication that the price of Greece's accession to the EEC is that it makes compromises to Turkey.

Mr. Papandreu's party continues to oppose full or associate membership and to press for an agreement with the EEC which relates to groups of products, which would have strict investment terms and which would allow Athens control over the movement of commodities and capital. Should there be a referendum on this? The Government says no, with the Minister handling EEC affairs, Mr. Georgios Kontogeorgis, saying that in view of the debate on the EEC in the last elections "to some extent we feel we can treat these as a referendum." But the debate is not yet over, and it is a wary eye with which the EEC follows the heated world of Greek politics.

D.T.

Approaching the EEC

DESPITE hurdles to be overcome with regard to agriculture, the Greeks remain confident that by (or at least during 1980) the country will become the tenth member of the European Community.

The political will of the nine governments to see a southward expansion, through the accession of Greece, Spain and Portugal, is regarded as having been stated too unequivocally for there now to be any question of turning back on economic grounds. But whether the Greek target of completing the substantive negotiations—the hard bargaining—by the end of this year will finally prove feasible is something else.

The Greek timetable, vigorously promoted by Premier Constantine Karamanlis during visits this year to the capitals of all EEC countries except Ireland, would have the negotiations wrapped up by the end of this year. Thus, 1979 could be devoted to ratification of the accession treaty by the parliaments of the Nine and of Greece, with full membership dating from 1980.

While this has not been ruled out by the heads of government with whom the Greek Premier conferred or by the EEC Commission itself—and in Athens the Co-ordination Ministry is still describing the timetable as "entirely pragmatic"—there is a persistent area of doubt over the agricultural sector.

However, a vital step forward was taken last month when the EEC farm ministers managed to reach general agreement on the complex problem of a Mediterranean agricultural policy. According to a well-informed Athens source, this should make it possible for the EEC Council to give the Commission a mandate for the agricultural negotiations with Greece before Brussels "closes" for the summer holidays. Had this not been done, there would have been little hope of finishing the negotiations this year.

A two-volume "communication" on Mediterranean agriculture from the EEC Commission to the Council of Ministers, dated December 1977 and January 1978 basically concerns the Mezzogiorno region of Italy and Corsica and the Languedoc and Midi Pyrénées districts of France, but is inextricably bound up with the problem of eventual Greek, Spanish and Portuguese membership.

Noting that the EEC per capita GNP is 24 times higher than that of the Mezzogiorno, while the agricultural labour force in Corsica-Languedoc-Midi Pyrénées is 50 per cent higher than the EEC average, the "communication" observes: "A southward enlargement of the Community is likely to aggravate the development problems of these regions."

A serious imbalance in Mediterranean agriculture, the Commission says, is illustrated by the excessive proportion of labour involved in this sector, low labour productivity, the inadequate size of holdings, low incomes and significant underemployment.

These strictures could certainly be applied equally to

Greece. In fact, the Commission itself has described Greek agriculture as presenting "a more serious structural problem than those prevailing in any member state." Farm holdings, it noted, which are generally small, are typically fragmented into unconnected plots: this in turn impedes the adoption of modern technology. Also, these difficulties are aggravated by the absence of appropriate marketing facilities and, in particular, an insufficiently developed network of co-operatives.

However, the Athens source noted, the point is that the complex package of measures proposed for the existing "Mediterranean regions" of the EEC are to be adopted first, so as to form the basis of the EEC position in the negotiations on expansion southwards.

The old Athens argument that this country's agricultural product will "complement" those of the EEC is rarely heard these days. Too many of them are clearly competitive, especially olive oil, fresh and processed fruits, vegetables and wines. Instead, it is now maintained—with some support from the Commission—that the quantities involved are relatively unimportant on an EEC scale.

But this certainly does not apply to Spain and Portugal. And although Greece appears to have won the battle to have its application dealt with separately and first, in the agricultural sector at least the EEC will inevitably be thinking also of Spain and Portugal while negotiating with Greece.

Bargaining

If hard bargaining does lie ahead, it will occur at a time when Greek agriculture is far from satisfactory. Output is stated by Bank of Greece Governor Xenophon Zolotas to have fallen by 4.9 per cent last year, following a reduction of 2 per cent in 1976. And while this is attributed mainly to bad weather, structural problems are said to have played an inhibiting role.

A National Bank of Greece report, after putting the main blame on the weather, refers also to "difficulties encountered in the effort to restructure agriculture"—basically a matter of switching to high-yield crops, promoting land consolidation, increasing the size of farm units and improving the processing and marketing of agricultural products.

The two reports, taken together, leave little doubt that progress in this direction so far is rather less than had been hoped for. While the agricultural negotiations have yet to begin, the ground covered in other sectors is viewed as satisfactory in Athens.

The Co-ordination Ministry says the negotiations are "on schedule" and no "disagreements" have arisen, as distinct from a number of "pending points" still to be resolved in those sectors, including Customs union, external relations and the free movement of capital.

Unofficial sources say these

points largely concern which EEC regulations should be applied by Greece immediately on accession and which should be put into force progressively during the transition period, which the Greeks insist should not be longer than five years.

Full and immediate application of the principle of free movement of capital, for example, would disrupt the Greek payments balance. Thus, the freeing of direct investments by residents of Greece in EEC member states will have to be done in stages during the transition period. The same will apply to the repatriation of the product of liquidation of direct investments in Greece by residents of other EEC member countries, and the freeing of blocked accounts.

Cited as an example of a "pending point" is the question whether the product of liquidation of an asset in Greece should be regarded as wholly or only partly exportable—a subject that acquires importance in view of soaring real estate values in Greece.

However, while it is not envisaged that all points of this nature can be settled by the end

CONTINUED ON NEXT PAGE

Insurance in Saudi Arabia—the local experts know best

Don't take risks over the vital matter of insurance in Saudi Arabia. Only a locally-based organisation fully understands and appreciates what is needed by traders and clients—and can give the service. UCA—established in Saudi Arabia in 1973—underwrites all classes of business in Saudi Arabia and throughout the Middle East. UCA acts as general underwriting agents in Saudi Arabia for the Insurance Pool for the Middle East (IPME)—comprising the Al-Saudis Insurance & Reinsurance Co. SA, Federal Insurance

Co. (subsidiary of Chubb Corporation), Assurances Generales de France (AGF), Union des Assurances de Paris (IARD), Italia Assicurazioni SPA, Al-Mustakbal Assurance Co. SA, and United Commercial Insurance Co. SA. The UCA organisation is growing fast. The head office is in Jeddah, with branches in Dammam and Riyadh, and there are associated companies in Athens, Amman, Beirut, Hong Kong, London, Luxembourg, Manila, Paris, Rome, and the United States.

United commercial agencies



PRINCIPAL GROUP OFFICES
UK: Saudi United Commercial Agencies Ltd., 51 Berkeley Square, London W1Y 5DB. Tel: 01-493 6312/40 6414. Telex 296677. Social G.
SAUDI ARABIA: United Commercial Agencies Ltd. (S. Jeddah) (S. Jeddah). Head Office: Mevlan Road, PO Box 5019, Jeddah. Tel: 51402-51403. Telex 40122 GJ.
FRANCE: United Commercial Agencies (Paris) SA. 61 rue L. Boute, 75006 Paris. Tel: 556-3840. Telex 61405 UCAF.
USA: United Commercial Agencies Ltd., NY. 9 Via 25th Street, New York, NY 10019. Tel: 212-675-8238. Telex 442666.

Shipowners in a cautious mood

FEW COUNTRIES' shipowners better off within the Community —and the sooner they were in the more they would be able to influence any policy the Community might develop.

The EEC Commission originally rapped West Germany, Belgium and France on the knuckles for signing the UNCTAD Liner Code. But in recent years the Commission has moved significantly towards breaching the articles of the Treaty of Rome which excluded the maritime sector from any common transport policy.

The danger for the Greeks is that the EEC position on the Code is likely to be strongly influenced by powerful protectionist tendencies within the Community. The Transport Ministers of the Nine are due to discuss the Code within the next few days. Britain is the key critic of the Code and is seeking a cargo-allocation formula which will limit the Code's effects to trade with developing countries.

Majority

While the shipowners are not completely of one mind, the majority view, expressed by the Union of Greek Shipowners in a memorandum to the Government this spring, favours membership of the EEC, even though it argues that the Government is conceding more than is strictly required by the Treaty of Rome on such matters as Greek-flag registry and coastal navigation rights. Also, coastal navigation rights. Also, coastal navigation rights.

Such hopes from the EEC partly explain the continued buoyancy of the Greek-registered fleet. In the year to July 1 1977, this rose by 4.8m grt to reach 28.5m grt. This puts Greece fourth behind Liberia, Japan and the UK in the world in terms of tonnage.

This code sets out to establish the principle of 40-40-20, in other words ships from the exporting and importing country each taking 40 per cent of any cargo generated with only 20 per cent going to cross traders. The possibility that membership of the EEC could protect Greece from some of the worst consequences of such a code, such as the loss of many Greek shipowners, has been a strong argument for its support.

Net shipping receipts, which include remittances of savings by Greek seamen, totalled \$972m in 1977 and covered one-quarter of the country's trade deficit. However, the OECD has calculated that in the past the contribution of shipping to Greek GNP has been less than would have been expected given the tonnage of Greek shipping. This point was taken up earlier this year by the opposition leader, Mr. Andreas Papanastasiou, when he told various Greek shipowners that his party's priority was to boost invisible earnings from shipping and noted that in the past these "had not grown in proportion to the huge growth in our merchant fleet."

He also stressed the need to improve wages and working conditions aboard, though modified his party's pro-election stand in that he said there was no question of nationalising Greece's smaller shipyards. He was less precise over his aims for the larger yards.

One unusual development in the individualistic world of Greek shipowners has been pooling of resources by five companies in an effort to cut costs. The resulting consortium, the Hellenic Maritime Consortium, controls over 100 vessels and has apparently received several other applications for membership. But the yards have been going through a difficult period.

Plans

In March, the Neorion Shipyard on the island of Syros operated by the N. J. Goulan group closed its gates and laid off more than 1,000 workers. While the Government seems prepared to reopen these yards itself as a last resort, it is waiting to see the results of the interest shown first by the Greek owner Polemis and now by a Dutch company and Clydeside of Glasgow. In the meantime three smaller yards in the Piraeus area are reported to be on the verge of closing.

Various plans for new yards have been shelved. These include the \$135m yard planned by the Karageorgis group in the historic Bay of Navarino and the \$57m yard planned by shipowner Captain Nikolaos Pappas in north-west Crete. Both yards had run into strong objections from conservationists worried at the progressive spoiling of Greece's coast.

By a Correspondent



COMMERCIAL BANK OF GREECE

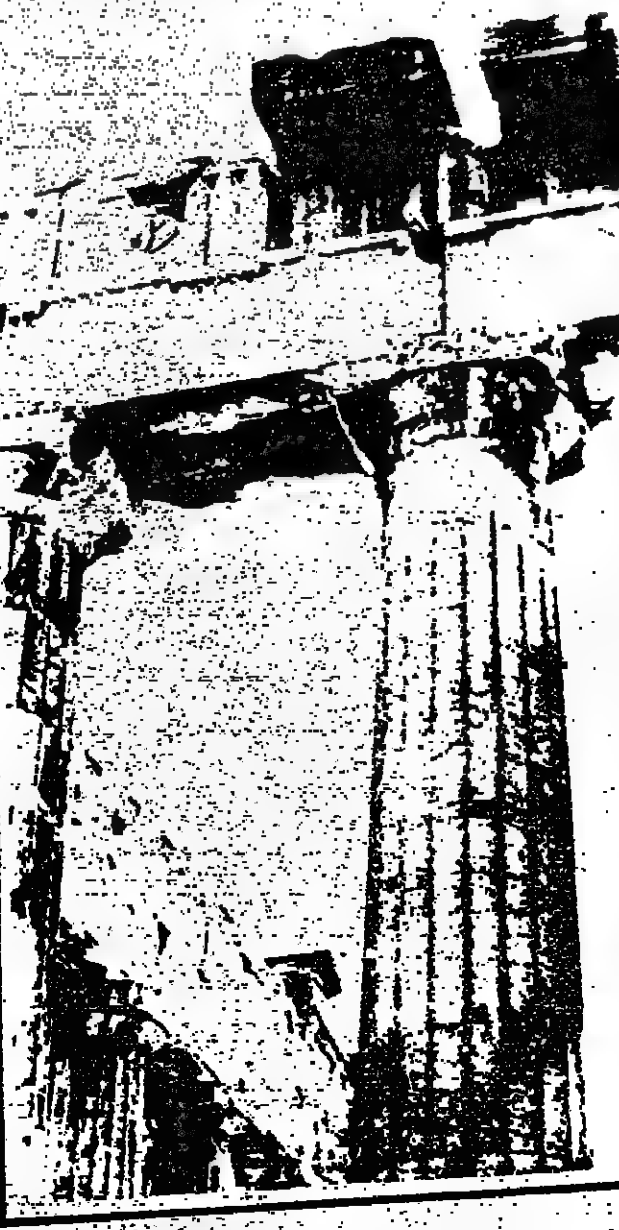
ESTABLISHED 1907

An up-to-date banking service with the friendly atmosphere of traditional Greek hospitality

Basic Figures as at 30th November 1977 (In Millions)

Paid-up Capital and Reserves Drs 7,858 (\$ 217)
Total Deposits > 70,266 (\$ 1,941)
Total Assets and Liabilities > 124,558 (\$ 3,440)

FOREIGN EXCHANGE FACILITIES
A NETWORK OF BRANCHES THROUGHOUT GREECE
CORRESPONDENTS ALL OVER THE WORLD



EEC

CONTINUED FROM PREVIOUS PAGE

of the year, neither is it anticipated that they can be permitted to slow the momentum of the negotiations. Numerous details, a Coordination Ministry official said—concerning particularly matters concerning Greece's relations with third countries—could be left for finalisation during the ratification process, or possibly even later.

In the meantime, a more systematic campaign has been launched this year to persuade the Greeks generally, and the farmers in particular, of the benefits that will follow EEC membership and, conversely, of the dangers that would result from staying "outside Europe."

Campaign

In a sense the campaign is not strictly necessary, since elections are not due for another three years and the Government has more than enough votes to push any accession treaty through the present Parliament. But there have been persistent reports here that the government may not finally be able to avoid a referendum on membership. If one had to be held, the farm vote would be decisive.

The industrialists, for all the initial difficulties they will face, are adamant in their support of membership; they point out that, anyway, tariff barriers are due to be completely dismantled by 1994 under the existing Greece-EEC association agreement, and that this date more or less coincides with the likely end of the transitional period.

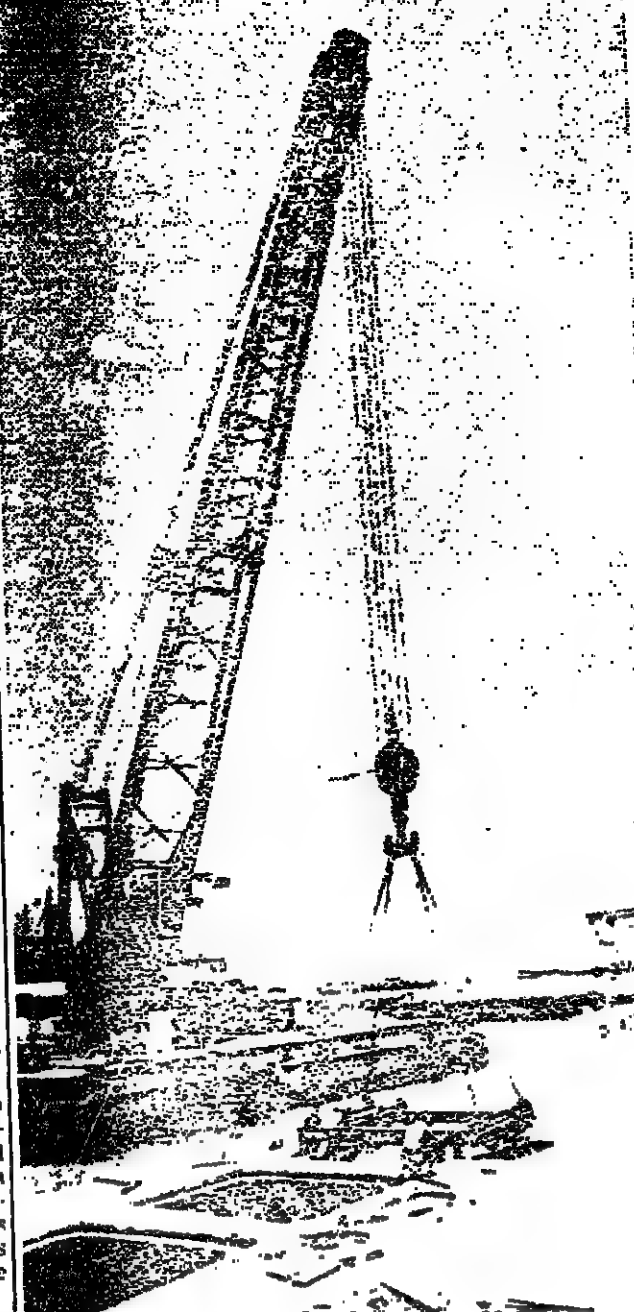
Shipowners are in favour because they want Greece to have a weightier voice in deliberations on shipping matters, and say they are even ready to face the "blitz" of Greek crews to the fleets of other EEC members that would probably follow application of the freedom of installation principle to the merchant

By a Correspondent



ARCHIRODON

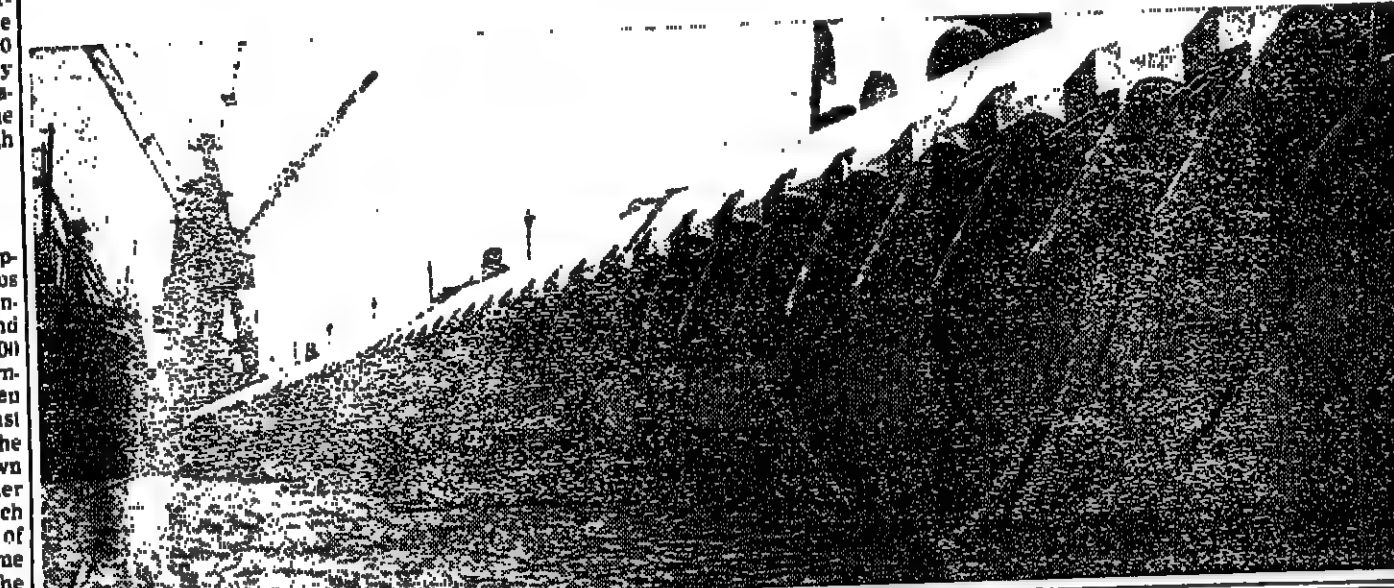
for reliability
and high construction
standards



One of the largest and most dynamic construction programs ever undertaken, is the development of the commercial ports of the Kingdom of Saudi Arabia, under the supervision of the Saudi Ports Authority. The major contractor for the mammoth port projects under way in the Kingdom is Archirodon Construction (Overseas) Co. S.A. An international contractor with a broad scope of experience and an expertise in marine construction, Archirodon is transforming the harbors of Jeddah, Dammam and Jubail into efficient, ultra-modern ports.

Today, throughout the Middle East, the name Archirodon Construction (Overseas) Co. S.A. is synonymous with consistent quality, reliability and superior standards of performance. At the ports of Saudi Arabia and Sharjah, Khor Fakkan and Ras Al Khaimah of the United Arab Emirates, Archirodon has combined its resources of highly specialised technical equipment and a wealth of expertly trained professional personnel to make the dreams of men a reality.

ARCHIRODON CONSTRUCTION (OVERSEAS) CO. S.A.
6, LOUKIANOU ST. ATHENS (115) GREECE-TEL. 741 102-TELEX: 214838 ARCO GR.



THE MANPOWER EMPLOYMENT ORGANISATION

In the vanguard of the country's
social and economic progress



Youngsters between the ages of 14 and 18 receive free practical and theoretical instruction at the MEO's vocational training schools.

The task of the Manpower Employment Organisation has become more onerous and more important in view of the extra effort the Government is making to speed up the country's social and economic progress as a prime requirement for our impending full membership in the European Economic Community.

MEO's purpose in life is to apply the Government's labour policies and make the best possible use of the country's manpower as a productive force.

Both the Minister of Labour, Mr. Constantine Lascaris and the Governor of the Manpower Employment Organisation, Mr. Costas Papanastasiou, are fully aware of the problems involved and closely supervise MEO's operations to make sure they are conducted with the utmost efficiency.

MEO's most important function is the technical training of the labour force and such training is imperative if Greece is to become a useful and productive member of the EEC, with skilled workers constantly available to industry.

TRAINING

MEO undertakes to pay a wage and the social insurance costs of workers attending its training schools. This means that a worker can improve his skills without loss of income. At the same time, MEO can find jobs for trainees who complete its courses through its regional offices when vacancies occur. This is a most useful service to industrial development since it reduces unemployment, restricts emigration and provides industry with more skilled and more productive manpower.

The technical training provided by MEO schools consists of ordinary and accelerated courses. The former are attended by youngsters between the ages of 14 and 18 and the latter by unskilled and unemployed workers between the ages of 18 and 45. The ordinary courses take from 2 to 4 years according to subject and the accelerated courses take from 7 to 9 months.

THE SCHOOLS

Last year 2,470 workers completed the ordinary courses and 2,272 the accelerated courses making a total of 4,742.

There are 11 centres with 32 schools for ordinary courses as well as 19 boarding houses where 2,700 youngsters receive free board and lodging every year. Another 2,800 persons are given free board at MEO's boarding houses. MEO doctors are in daily attendance and so are social workers to assist the youngsters with their problems.

For the accelerated courses there are 7 centres, 24 vocational training schools, 3 post-training schools and 45 tourist trade training schools which were attended by about 5,600 trainees last year. More than forty different trades are taught at MEO's technical schools which turn out skilled fitters, mechanics, electricians, plumbers, tailors and cutters, seamstresses, hairdressers, lathe operators, sawyers, carpenters, goldsmiths, shipyard workers, welders, radio technicians, dental technicians, caterers, etc.

The courses consist of classroom as well as practical instruction which takes place in the school workshops and in factories under the supervision of experienced instructors.

NEW SCHOOLS

MEO's Training Plan calls for the establishment of new combined training centres for the vocational training of adults between the ages of 18 and 46 and of youngsters between the ages of 14 and 18 in various Greek towns.

TRADE ORIENTATION

Another important aspect of MEO's activities is to help young people with advice on their choice of a suitable trade. This task is performed by MEO's Trade Orientation Services which offer such advice freely on request. Similar advice is offered to pupils at state schools in co-operation with their teachers.

INSURANCE & ALLOWANCES

MEO hands out unemployment allowances to workers who are out of a job, until they find new employment. Family allowances are also granted as well as allowances to military reservists who are called up, in order to make up to a great extent the income they would be earning otherwise.

GREEK WORKERS IN WESTERN EUROPE

Greek workers in West Germany, Belgium and Holland are assisted by MEO representatives in solving any problems that might occur in their work, social life or in adapting themselves to new conditions. This task is performed by groups of MEO advisers and through MEO advisory bureaux and Greek Homes. These last make it possible for emigrant Greek workers to relax in Greek surroundings and maintain links with the homeland.

MEO also takes in 250 children of emigrant Greek workers every year for free vocational training at its schools and invites another 1,500 children to Greece for summer holidays with all expenses paid.

SOCIAL MISSION

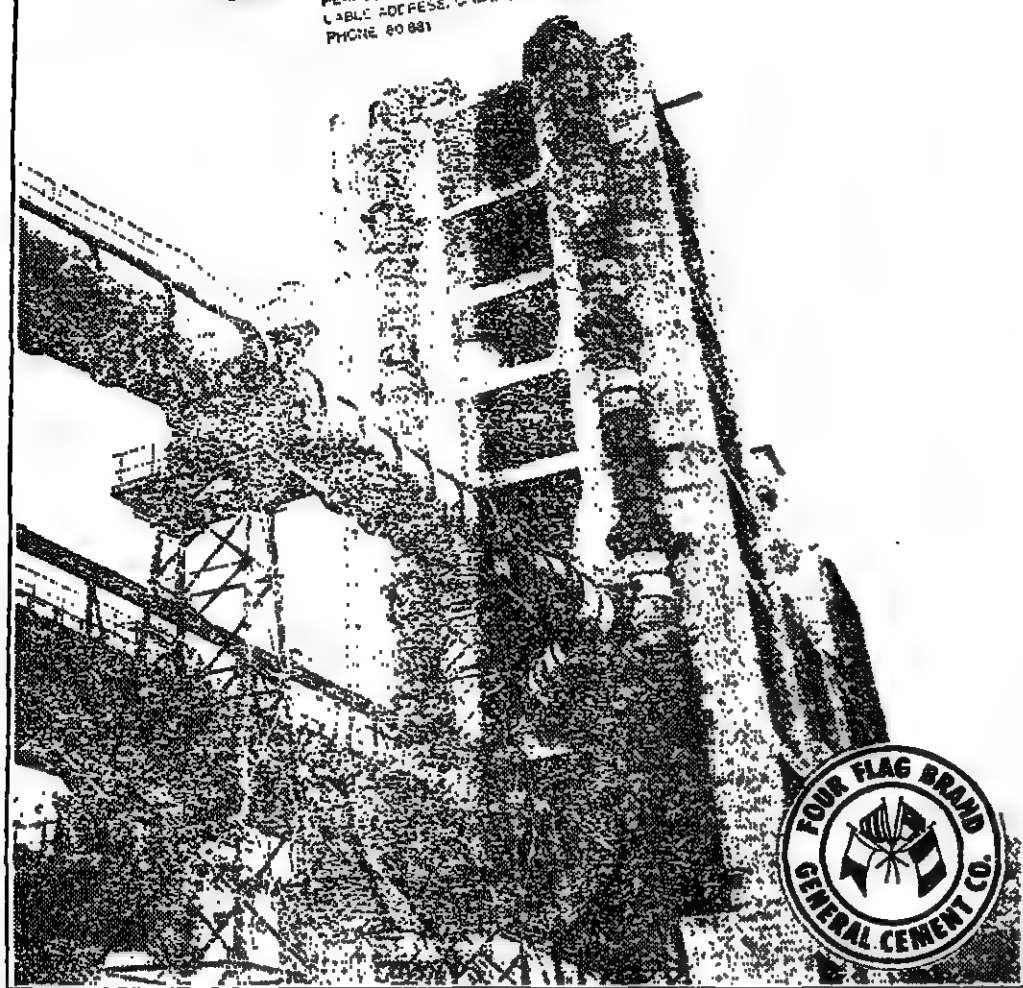
MEO's work and its broader social mission underline the positive contribution to the country's economic progress being made by the Government of Mr. Constantine Karamanlis and based on sound democratic principles.

A major Greek company a major world cement supplier

In the year 1977, Greece's HERACLES GENERAL CEMENT came first as the largest exporter of cement between all European cement manufacturers. With a total annual production of over 4,600,000 tons of cement have been exported during 1977. Heracles General Cement, largest cement exporters, 1,800,000 tons of cement, as well as in the bulk cement terminals both in Greece as well as in the Red Sea and the Gulf. Subsidiary companies are involved in ready-mixed concrete, paper bag manufacturing, pumice mining and exports, maintenance and construction as well as in some specialised services. In almost all the mentioned fields it is the industry leader in Greece.



HERACLES GENERAL CEMENT CO.
HERACLES GENERAL CEMENT COMPANY
1, 400, 000 TONS ANNUAL PRODUCTION
P.O. BOX 500, ATHENS, GREECE
PHONE: 80 881



VIOHALCO-EXPORT, LTD.

246 Piraeus Street, Athens 310, Greece
Telephone: 4813 651 (10 lines) - Cables: EXEMEP ATHENS
Telex: 213649 EXEM GR

As the marketing company for a group of leading Greek manufacturers, VIOHALCO-EXPORT, LTD., offers to prospective buyers abroad the Greek industrial products summarily listed below.

Produced in accordance with ruling international specifications and high-quality standards, these products are available in an extensive variety of forms and types and can be supplied at genuinely attractive terms and conditions, to suit a wide range of particular requirements.

COPPER AND BRASS SEMIS

- Tubes
- Sheets
- Rod
- Bars
- Circles
- Strip

ALUMINIUM EXTRUSIONS AND FOIL

- Extruded shapes for industrial and/or architectural use;
- Round, square or rectangular cross section tubing;
- Pipes for irrigation, television antennae and furniture manufacturing;
- Aluminium foil in rolls: Plain, wax or glue laminated, lacquered or coloured, embossed or prelubricated.

ALUMINIUM SHEET AND WIRE PRODUCTS

- Hot and cold rolled sheet, strip and coil;
- Corrugated sheets, circles and slugs;
- Wire rod for overhead transmission and distribution conductors;
- Plain and steel reinforced conductors (ACSR).

STEEL PRODUCTS

- Re-bars, plain and de-formed;
- Hot rolled strip;
- Wire rod and wire mesh;
- Merchant bars, flats and angles.

POWER AND TELECOMMUNICATION CABLES

- Power cables from 250 to 150,000 V for underground, submarine or surface installation. Also overhead conductors;
- Building wires and cables for use by the building industry;
- Telecommunication cables including cables for voice and carrier frequency, coaxial cables, subscriber connection and combined and signalling cables.

WE ALSO OFFER

Turn-key plants and machinery installations for steel, metal and cable manufacturing.

FOR DETAILED CATALOGUES AND SPECIFIC OFFERS
PLEASE APPLY TO:

VIOHALCO-EXPORT LTD.

GREECE V

Labour relations

THIS MONTH Greece embarks on a crucial experiment aiming to replace confrontation by consensus in the field of labour relations. Following EEC urging, the Council for Social and Economic Policy is to start work. Grouping employers, unions, agricultural and professional organisations and representatives of the State, its first meeting is to take up the problem of inflation.

The importance of the experiment comes from the poor present state of labour relations in Greece. During the 1967-74 dictatorship strikes were banned, but since then the workers have been increasingly flexing their muscles. In 1977, 9.5m man-hours were lost in 500 strikes over wage demands or because of accumulated mistrust. This year has seen one 24-hour general strike, numerous plant disputes and several long-term strikes by groups including railwaymen and university staff. Frequently the police are brought in, with clashes often occurring. But this year at least the Government has not had the recourse which it had last year to telling strikers they had been drafted because of "national emergency", and that if they continued striking they would be subject to military discipline; in law Greeks are still subject to the junta's general mobilisation for Cyprus of 1974.

Concern

The International Labour Organisation (ILO), has expressed concern at certain aspects of recent Greek labour legislation. Its latest mission to Greece is known to have been disturbed at working conditions, particularly in the small units which provide the bulk of employment in manufacturing; at the inadequacy of safety controls; and at the considerable degree of State influence over the finances of the labour movement.

Critical to this is the whole question of building an independent union movement in Greece. Long years of continuous Government intervention in Greek unions have left their mark. European unionists say that the Greek labour movement "is today fighting the same battles for free" and

autonomous unions which were fought decades ago.

Such issues take place against a background of apparently low unemployment. The officially registered unemployed total a mere 2 per cent of the non-agricultural labour force. But in this sector, as in many others, Greek statistics are poor. Last year the OECD estimated that only about one-third of unemployment was recorded. Official figures exclude many young people. Underemployment is a major problem. Left-wing unionists estimated that the unemployed and semi-employed total 10 per cent of the labour force.

The National Bank of Greece recently received 13,000 applications for 480 jobs. The level of unemployment appears to have been relatively steady in the past three years. In part this is because the available labour force has only been growing slowly. There has been a reduction in the rate of growth of population and an increase in the number of young people attending school and higher education. There has also been a steady increase in industrial employment: in the year to November, 1977, this rose by 4.2 per cent. These factors, and the reduction in the number of people migrating to the cities, have outweighed the effects of the reversal of the migration flow. In the 15 years to 1973 300,000 Greeks, or nearly one-quarter of the labour force, emigrated abroad. In the past three years there has been a small net inflow of workers.

Fears that further slow growth in Western Europe could lead more workers to return are largely discounted in Athens. Many of the men who returned were over 60, and the OECD reports that a large proportion of the women who came back did not seek work.

However, a survey in Athens last year found that four-fifths of the men questioned had obtained jobs but that the women were often hindered by the lack of facilities such as creches. The survey also found that a half of those who returned to Greece wished to re-emigrate. Their complaints included conditions of work and the lack of full social insurance in Greece.

Unemployment benefits, for instance, are limited, and gov-

ernment retraining programmes are criticised by both personal managers and employees for being limited in scale and efficiency.

Each year the Government concludes a general agreement with the GSEE (The Greek Trade Union) on the increase in the minimum daily wage. This in effect establishes a general guideline which is particularly important given the large number of workers employed in small manufacturing units and not covered by unions.

It is through wage policy that the Government has mainly tried to tackle the inflation plaguing the Greek economy. However, the annual negotiations have led to serious confrontation between the Government and the GSEE. The leadership of this was originally appointed by the Government and, though since elected, is under continuing pressure from the base.

Earnings

In such circumstances the introduction of any British-style "social contract" into Greece is virtually inconceivable, as is a party commission similar to the successful Austrian practice. Instead, after the annual confrontation, which this year saw a one-day general strike in March, individual unions negotiate their own increases.

The Governor of the Bank of Greece, Professor Xenophon Zolotas, says that in the period January to September 1977, monthly earnings in manufacturing plants employing more than ten people rose by 19.9 per cent and monthly earnings in retail trade rose by 20.7 per cent. A confidential report by advisers to the Bank of Greece shows that wages and salaries rose 25.3 per cent in 1976, and 20.6 per cent last year. It forecasts they will rise 21 per cent this year.

The banning of strikes during the junta period was accompanied by a pronounced shift in incomes away from labour and capital to mixed incomes. The OECD writes that, even though the weight of salaries employment outside agriculture has increased (from 28 to nearly 40 per cent between 1961 and 1971), its share in income has risen very little. It adds that profit levels seem to have been very high in the years until 1973 and the subsequent increases in wages have to some extent "reflected" a belated catch-up on the earlier distortion.

Industrialists, however, have been increasingly disturbed by the post-junta emergence of labour pressures. Apart from being concerned with wages, these pressures have also been directed against the length of the working week and working conditions.

While the EEC is seeking to have the 40-hour week established as the norm, in Greece it was only in 1975 that the first steps were taken to reduce the working week for industrial employees from 48 to 45 hours; for civil servants the week has long averaged 37.5 hours.

An unpublished report by KEPE, the State Centre for Planning and Economic Research, estimates that between 1970 and 1976 the hours worked in industrial units employing more than ten workers fell from 44.6 per cent to 42.6. These figures include overtime, but while showing the downward trend seem to underestimate the actual burden on workers. In practice overtime is often compulsory and the working week is relatively long. The six-day week is still the norm. Only a few strong unions, such as that of the bank employees, have had this reduced to five days.

As an example of the attitudes towards reducing the working week prevailing in official circles, the KEPE report is instructive. It suggests that the state, the Church and other groups must work to prevent the emergence of "psychological and social problems and help workers, in particular those on low income, to make good use of their two days off for spiritual development, sport, education, etc."

Where working conditions are concerned, the ILO is known to be disturbed, particularly at the absence of any effective inspection mechanism. Each year between 90 and 120 people died in factory accidents and some 45,000 people covered by social insurance are wounded. The ILO fears that as factories spread in areas with no industrial tradition the accident toll could rise. It is particularly concerned at the conditions in the small units which make up the backbone of Greek industry.

Mr. Nikolaos Papageorgiou, head of the GSEE, complains that until now safety regulations have not been enforced. The Ministry of Labour last year doubled the number of its factory inspectors, but the ILO team recently in Greece was struck by the way that not one factory it saw employed a doctor.

It also believes that the Ministry does not yet have technical safety personnel with the right qualifications, although there are hopes that a new bill being prepared will help to improve this situation.

Persistence

The persistence of such problems reflects the way that the Greek trades union movement has long been the weakest in parliamentary Europe. For long years its leadership has depended more on the goodwill of the Government and the labour section of the security police than on workers' support. When the Colonels came to power in 1967 they closed down over 100 unions and arrested their leaders, the head of the GSEE sent them a telegram of congratulations.

Today the leadership appointed after the collapse of the junta remains in power; its appointment confirmed by elections. But the honesty of these elections has been challenged by both moderate and left-wing unionists, who have filed frequent complaints to the ILO. Their complaints cover a

range of practices which "it has taken decades of practice for them to perfect," or so claim even moderate unionists.

But the result has been that the European Trades Union Confederation, initially considered refusing to accept the GSEE as a full member, "until this has established itself on more fully democratic lines and has established more independence from the State," according to one ETUC official. Finally the ETUC, like other West European bodies, decided to accept the GSEE and to try to assist in the rebuilding of the Greek trades union movement.

Mr. Papageorgiou describes his problem as being to stop Government interference from one side and party interference from the other. The opposition parties support the different labour groupings, into which workers are divided. The far left of these is ESKA, which has the backing of the Communist Party of Greece.

Problem

One major problem for trades unionists is the huge number of separate and often competing unions. Mr. Papageorgiou argues that the 3,500 separate unions can only consolidate if members of those not officially recognised join those which are. But ESKA, for instance, dismisses many of the recognised unions as unrepresentative "rubber stamp unions" which are far smaller than the non-official unions. Militating against change is the way that financing of the Greek labour movement passes through the hands of the Ministry of Labour, and only unions recognised by the GSEE receive funds.

The ILO and the International Confederation of Free Trades Unions has long pressed for changes in this system. Last year the Government passed a law confirming the present system, although it claimed it gave priority to encouraging unions and employers to make other arrangements such as the check off system.

An earlier law governing unions led to some 400,000 workers coming out in protest. The Government said the law protected trade unionists. However, an estimated 350 workers were soon dismissed for apparent trades union activities, and the courts are not known for their sympathy for labour activists. In 1976 one court ruled that an employer was justified in dismissing 20 workers who had set up a plant union as they had failed to notify the employer of their plans.

Such policies have long been criticised by Western labour experts as polarising the labour scene, but this summer these critics have found some unexpected allies. Even the personnel directors of major Greek companies are now arguing that it is the Government's own interventions which have impeded the growth of moderate trade unionism and have helped the militants.

D.T.

Stimulus to industry

GREEK INDUSTRIALISTS believe that, in the long run, the country's accession to the Common Market will be mutually beneficial to both Greece and the Community. This view was expressed by leading representatives of the Federation of Greek Industries at a recent meeting of the mixed Greece-EEC Parliamentary Committee in Salonica.

The Federation, in particular, has sought to allay Community fears that the development of certain industrial sectors in Greece will create competitive conditions for similar sectors already facing problems in the Common Market. For instance, the Greek textile industry exports mainly cotton piece goods, made entirely of Greek cotton. As such, it can only be competitive, rather than competitive, to corresponding Community industries. The Greek shoe industry, too, represents a small percentage of EEC output; besides, it seeks to cover the ground among traditional labour-intensive sectors reportedly being gradually abandoned by developed economies of Western Europe in favour of high-technology sectors. Similarly, the Greek iron and steel industry is relatively very small and caters to the local market, presenting no serious competition to the EEC giants. Finally, the Greek shipbuilding industry is engaged mainly with ship-repairs at present and relies on the country's important merchant marine. As such, it cannot add to the problems already faced by West European shipbuilders; on the contrary, Greek accession, by bringing the EEC merchant navy to the EEC fold, might even be of benefit to the European shipbuilding industry in general.

The new president of the Federation of Greek Industries, Mr. Dimitris Kyriazis, said in a speech recently that the country's rapid-rate development can only be attained by private initiative, amidst local and foreign competition and free market mechanisms. No centralised, bureaucratic state mechanism, he said, is in a position to make the economy function more profitably than private enterprise. Mr. Kyriazis listed these problems facing the economy in general and industry in particular: inflation, low investment, slow rate of increase of exports, low productivity and an over-sized public sector. These problems, he said, could be successfully tackled if proper policies were adopted for expansion of basic productive industries, promotion of exports, increased productivity and improved public services. The industrialists, he added, were aware of their responsibility to increase productivity and undertake, in co-operation with the Government, the readjustments necessary as a result of accession, particularly in regard to modernisation, reduction of costs and revision of the tax structure.

Friendlier

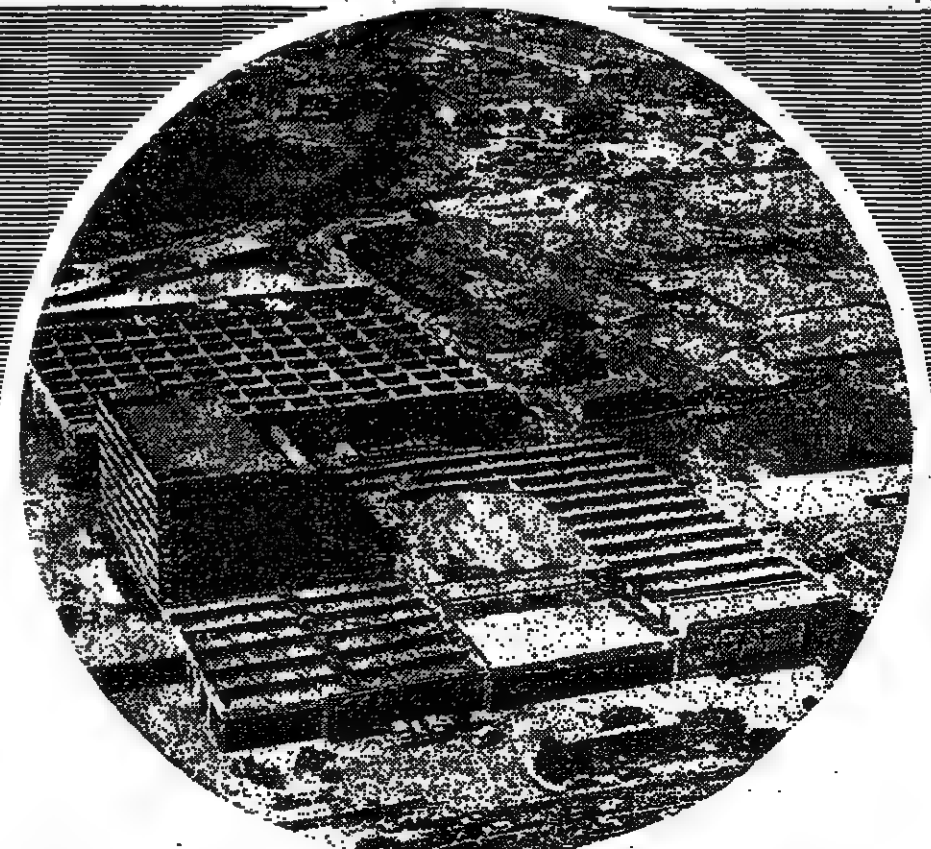
Meanwhile, the new Minister of Co-ordination, Mr. Constantine Mitsotakis, is establishing friendlier relations with industrialists. One of his predecessors had at one time been accused by industrialists of "socialism." The new Minister has expressed himself in favour of private enterprise and made it clear that the state does not plan to extend its control over the economy. In fact, he suggested that this control might even be relaxed in future in certain fields, such as by handing over to private ownership certain industries now controlled by public agencies.

The Bank of Greece annual report revealed recently that after two years of relatively rapid recovery, industrial production (as well as new investments) slowed down appreciably in 1977. Manufacturing output, in particular, grew by only 1.5 per cent compared with 10.6 per cent in 1976. A decline in output was mainly noted in industries which had achieved a remarkable export performance in previous years, like basic metallurgy and textiles. The weakening in foreign demand is believed to have played a leading role in slowing down output growth.

The slackening of investment activity, which coincided with the expiration of previously existing legislation governing incentives, led to a wide-scale revision of the entire incentives system earlier this year.

CONTINUED ON NEXT PAGE

SARACAKIS BROTHERS S.A.
A MEMBER OF THE SARACAKIS GROUP OF COMPANIES
ATHENS - GREECE



MANUFACTURERS & EXPORTERS OF BUSES, BUS BODIES, COMMERCIAL AND MUNICIPAL VEHICLES AND REFRIGERATOR TRUCKS

71 LEOFOROS ATHINON, P.O. BOX 5200 ATHENS - GREECE
CABLES: SARACAL - TELEX 215420, 215988 PHONE: 3465321, 3467011

مكتبة الأصل

Wednesday June 7 1978

Bonn's price for a package

THERE ARE at least two important elements in the remarks on German economic policy made yesterday by Chancellor Helmut Schmidt. The first was his hint that, while the Bonn Government had no immediate plans for additional stimulus for growth, some measures might be taken later this summer. The second was the message, clearly legible between the lines, that additional reflationary measures would only be taken by Germany as part of an international package to which other countries would have to make their contribution, and that this package should be tied up at the international economic summit in Bonn next month.

Inflation

Mr. Dennis Healey, the British Chancellor of the Exchequer, has long and repeatedly pressed on the German Government its obligation to help the world out of recession by adopting a faster growth rate. Germany, the argument runs, has low inflation and a strong balance of payments, and can afford a more expansionary approach than countries which, like the UK, are still trying to bring their inflation rates down.

But it would be a mistake to suppose that Mr. Schmidt's remarks yesterday are a tribute to the persuasive power of Mr. Healey's homilies. The Germans have the best possible reasons for knowing that their probable growth rate this year will be disappointingly low. The official target set for 1978 was only 3.5 per cent, but the latest estimate by the Bundesbank puts the probable out-turn at around 3 per cent, while other forecasts suggest it may be as low as 2.5 per cent. The Government has ample political incentives for examining the feasibility of faster economic growth, provided it is compatible with other economic priorities.

Recently, the Organisation for Economic Co-operation and Development in Paris proposed a concerted reflationary programme by a number of major industrialised countries, though with the stronger countries giving their economies a bigger boost than the weaker. Most of the governments were broadly in favour of the idea, but the OECD proposal collapsed.

The recovery in danger

AGAINST ANY normal financial background, the banking figures announced yesterday would be thoroughly welcome. There has been a sharp rise in advances, mainly to the service (including equipment leasing) and personal sectors. This reflects the recovery in demand which is beginning to put a little dynamism into the economy. There has been a relatively slow growth in lending to manufacturers, but this is perfectly normal in the early stages of a recovery: the rise in turnover has probably reduced stocks and improved cash flow (notably so for the motor industry), which has been able to repay £112m of bank advances in the last three months. The rise in the money supply cannot be estimated reliably from the clearing bank figures, but appears to be at or perhaps a little above the top end of the official target range—too high for comfort, but not alarming.

However, the financial facts behind this portrait of a reviving economy are not so pretty. There is a skeleton in the cupboard. The growth of the money supply has not been kept in check, as it should be, by firm official action to hold the Government deficit within the limits that can be funded without endangering the natural recovery of the private sector. On the contrary, the borrowing requirement is inappropriately large, and its funding has scarcely begun.

Cannot go on
As a result of this financial impasse, sterling has been weak, and the Government has been financing its own operations, quite accidentally, by selling foreign currency from the reserves instead of borrowing institutional savings in the UK. This clearly cannot go on indefinitely: the borrowing requirement would virtually exhaust the reserves.

This sketch of the flow of funds in the last month shows rather more clearly what is going wrong than a discussion of official targets; but of course the failure to fund will be reflected in due course in the week.

The Prime Minister has shown some realism in resisting back-bench pressure to forbid a rise in building society interest rates, and has reaffirmed the Government's credit policy. What is now needed is some positive action: a rise in excise duties which will at least recoup the revenue losses caused by Opposition amendments to the Budget; and a financial initiative to get funding moving again. The waiting period has already lasted too long. Hope deferred makes markets sick, and the necessary medicine gets nastier with every passing week.

DIVIDEND CONTROLS

Mr Healey maintains the suspense

BY BARRY RILEY

CURRENT LEGISLATION to control dividends expires on July 31. Unless there is Government action in the meantime, companies will be able to declare dividends freely for the first time in nearly six years. The Whitehall machine is already adjusting to the change. The Treasury has been telling inquirers that, according to current legislation, permission is not required for proposed dividends to be paid after the end of next month. The manning of the Treasury section which administers dividend controls has been reduced from three to two.

Yet the Government refuses to give a clear-cut decision on whether an attempt will be made to extend the controls for a further period.

In February, Mr. Denis Healey, the Chancellor of the Exchequer, stated: "It is too early yet to consider whether any legislation on dividends might be needed as part of counter-inflation policy when the present round comes to an end." This remains the official view.

Only yesterday a Labour MP tabled a Parliamentary question about when the Chancellor would make a statement on the future of dividend control policy. Mr. Joel Barnett, Chief Secretary to the Treasury, merely replied in a written answer: "My Rt. Hon. friend shall make a statement at the appropriate time."

The City and industry takes this casual, low key approach to dividends as something of an affront. To the Government, however, dividends are nothing special: they are simply a form of income, and so long as wider aspects of incomes policy for the year ahead remain undecided, the position of dividends cannot be determined either. There are, however, also some practical considerations. Although a one-clause Bill extending dividend controls could be put through Parliament, given support, within a matter of days, in practice it would be a controversial measure. It looks increasingly unlikely that such legislation could now be passed, with the Liberals about to abandon their pact with the Government.

"Voluntary" controls

The Government could fall back upon non-statutory guidelines of the kind which have already been applied to wages. "Voluntary" controls could perhaps be backed up by some kind of blacklist for non-compliers, on the lines of recent pay policy. But it would be difficult to make such a policy stick. Voluntary pay guidelines have worked, up to a point, because once the unions have accepted them it has also been in the interests of the employers to follow suit.

But with dividends it is much

more likely that companies will find political reasons for not complying. There are also two very large companies, Shell Transport and Unilever, which have legal obligations to pay out certain levels of dividends in line with international agreements. It is hard to see how their directors could comply with voluntary, as opposed to statutory, restraint.

Moreover the Boards of large, successful and cash rich companies like GEC and Hawker Siddeley will be under strong pressure to improve the currently tiny yields on their shares, which are symptomatic of the anomalies which have built up ever since a "temporary" dividend freeze was first imposed by the Heath Government in November 1972.

5 per cent ceiling

That standstill lasted only a few months, but the Conservative Government then placed a ceiling of 5 per cent on dividend increases. Wages were also controlled, but first the ill-fated threshold agreements, and then the incoming Labour administration's Social Contract, led to soaring earnings amidst accelerating inflation.

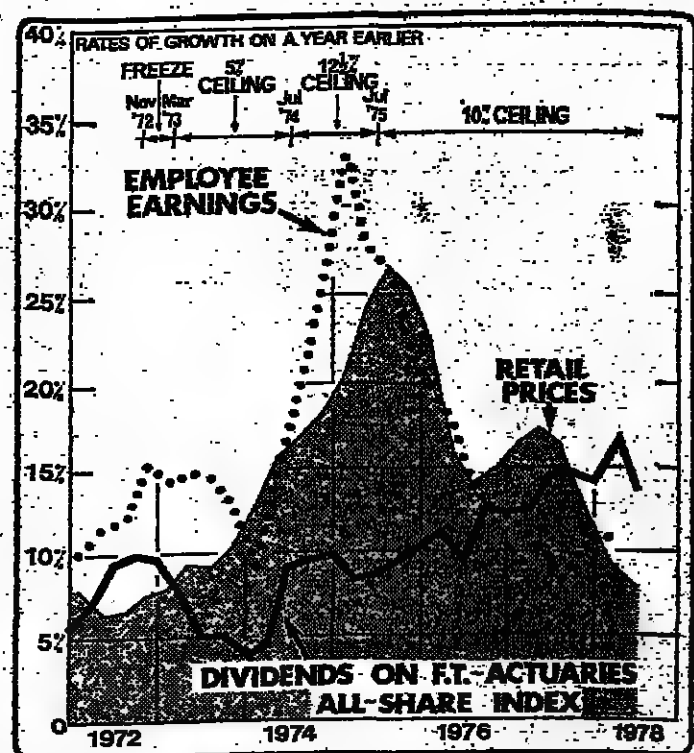
In July 1974 Mr. Healey raised the ceiling on increases of dividends to 12½ per cent. But even at the time wages were growing by some 20 per cent a year, and inflation was at 16 per cent. Over the next two years dividends took a severe battering in real terms. It was aggravated by the decision to trim dividend increases back to a maximum of 10 per cent in July 1975. That limit has applied ever since.

It is instructive to note that during 1974 and 1975 average earnings of employees rose by some 59 per cent, prices by 47 per cent, and dividends per share—on the basis of the recorded yield on the FT-Actuaries All-Share Index—by only 21 per cent.

During the past couple of years the balance has been redressed just a little. Taking 1976 and 1977 together, earnings rose slightly less than the 28 per cent rise in prices, dividends by a little more at 31 per cent or so.

Since the end of 1976 dividends appear to have been rising by appreciably more than the statutory maximum rate, reaching a year-on-year gain of over 16 per cent in January 1978. But this has to a large extent reflected the willingness of shareholders to plough back money in the form of rights issues.

The need to raise new capital has been an accepted reason for special dividend concessions ever since the controls were imposed in roughly their present form in 1973. During 1976 and 1977 this ruling accounted for



(with a few duplications) have received permission to pay over the statutory limit. Most companies must already be close to their preferred payout levels. What is true, however, is that there is a small number of very large companies which have forecast very substantial dividend increases, or can be confidently expected to do so.

For instance, Shell Transport would have paid out 46.5p gross per share for 1977 had it not been restricted to a statutory maximum of 23.8p, while it has a backlog of some 56p a share which it proposes to pay out at an early opportunity. Similarly, the other Anglo-Dutch multinational, Unilever, should have paid around three-fifths more last year under its equalisation agreement than it was allowed to, and the accumulated backlog here is now 35p a share gross.

Then there is BP, which had an application to raise its dividend by 50 per cent turned down by the Treasury a year ago. The company still intends to increase the dividend to 46.2p a share gross—compared with the 33.5p it was permitted to pay—and the new issue prospectus last June promised that the unpaid difference "would be distributed as a special dividend when the removal of dividend restrictions permits."

These three companies alone represent about 14 per cent of the All-Share Index in terms of market capitalisation. If they implement average dividend rises of, say, 80 per cent, then by themselves they will push up the All-Share income by 8½ per cent. On the assumption that a significant minority of other companies will also declare big increases, while most companies move their dividends up more or less in line with inflation, it is possible to predict an increase of over 20 per cent during the first year of freedom. Some put the figure at more like 30 per cent.

This aggregate figure would, however, be higher than the median increase for the more typical company. Profits across a wide belt of British industry have recently been sluggish, and have often been falling, which scarcely provides the right background for dividend buoyancy. Unless profitability improves sharply, the dividend will only represent a one-year adjustment, with the growth rate sinking back subsequently to a much lower level.

The reverse yield gap

But there are indications that a rise in dividends has already been discounted to some extent, for the so-called reverse yield gap has widened by two percentage points since the turn of the year. This gap—between the yield on 2½ per cent Consols and on equities—in theory reflects the market's view on likely dividend growth. Yet the widening may reflect purely market influences, like the dearth of rights issues and the piling up of liquidity at the institutions, and other factors such as higher inflationary expectations, as well as anticipation of dividend freedom.

If controls are indeed phased out at the end of next month, the immediate attention is likely to be focused on the scale of any dividend increases. Yet the potential for re-establishing a proper risk market in equities will be much more important. For years, investors have had no assurance that investment in a successful company would lead to an above-average income return. In trying to treat dividends on a par with Civil Service salaries the politicians have managed to convert ordinary shares into a kind of restricted growth preference capital.

Very soon, successful companies could be in a position to strengthen their position on the stock market. But the reverse applies to their more languid counterparts. For existing high yielding shares could lose some buoyancy. Unless profitability improves sharply, the dividend will only represent a one-year adjustment, with the growth rate sinking back subsequently to a much lower level.

A new base

There is going to be a strong case for taking the opportunity to jump through the dividend "window" before it is slammed shut again. With inflation likely to be rising again next year, and a new Government of unpredictable complexion likely to be installed in power this autumn, dividend freedom for long. It will be important for companies to establish a new base of controls, remembering that dividends have only been free of restraint for three of the last 13 years.

The number of companies in such a position should not be exaggerated. During the past three years over 750 companies

MEN AND MATTERS

Burmah row back on the boil

Why did Burmah collapse in 1974? The question has still to be fully answered, but the Burmah Shareholders Action Group is on the warpath again. The group hopes to start the public unravelling of the oil company's crisis at Friday's AGM in Glasgow.

BSAG has already had one major success in the three years since it has been formed. Its persistent campaign in 1975 and 1976 led the company to initiate a £800m claim against the Bank of England. This is for the recovery of the BP stock held by Burmah before the firm's collapse.

The claim was only made after BSAG has persuaded the Burmah Board to release documents about the sale of the BP stock. Now it is pressing for some equally crucial documents—those relating to the agreements in 1974 and 1975 between the Burmah group and the Signal Companies Inc and the Orion and Chase Manhattan banks.

BSAG and its hon. treasurer, Jonathan Stone, question whether some of these agreements contributed to the collapse. Stone claims it is improbable that their implications were unknown to the Government.

"We basically represent the small shareholders," Stone told me. He has had some problems in obtaining the support of a few of the major institutional investors in Burmah: "They think we are trying to make a vote of no-confidence, but this is not the case," BSAG in fact say they have "much admiration" for the Board's handling of Burmah's recovery programme.

But they have less admiration for the Independent Broadcasting Authority, which has rejected a radio appeal they wished to make in Scotland last week for proxy support. Sir

smaller. The quality of play is now improving.

Although a male undergraduate can be sure of a full blue for representing his university in any major sport (and a half-blue for basketball and the like), the feminine scene is far more murky. My inquiries have led to appeals that I should not "upset people"—meaning men—in what certain women do at the older universities see as a distinctly touchy area. It seems that girls can occasionally be awarded full blues for rowing, if they put enough beef behind the blades.

Even during my talk with Lady Howe I had sensed the seriousness of the underlying issues. My courage failed before I dared ask whether the Cambridge pace men (pace women? pace persons?) had bowed any maidens, or if the girl who was at third man was called the third woman. I consider the best prospect for us mere chaps is to await the day when all teams become mixed. It will at least improve the look of the outfield.

Family tradition
It was not the first time I have been told "I am doing what my father wanted," but it was the first time I had heard it from a man of 56. However, yesterday Sir Claus Moser explained that in leaving Whitehall to join a City bank he was in fact carrying on a family tradition—though one interrupted by the Nazis.

In the 1930s the Moser family bank, Fromberg, was absorbed by the Deutsche Bank and the Moser family was forced to leave Germany; they moved to England in 1938. Now, Sir Claus is to become Vice-Chairman of N. M. Rothschild and Sons.

He was a professor at the London School of Economics and served for 11 years as head of the Central Statistical Office.



"Then he said, 'Would they accept twelve and a half thousand?'"

THIS WEEK'S SPECIAL:

HOT PROPERTY

An issue designed to apply to the most discerning taste in magazines, including fly's/c prestige section on the pretty boom, individually planned with the exotic in mind, an exclusive spicuous humorous viewpoint including many unique features & offering a wealth of orig. cartoons, all 1st in the mkt.

EARLY INSPECTION INVITED!

Punch

AT 25p, IT'S THE BEST INVESTMENT YOU'LL EVER MAKE.

Observer

De La Rue presses ahead to over £28m

LANDSIT up to £26.3m

THE RESHAPED De La Rue from the UK, including sales to subsidiaries, rose from £26m to £28m in the year to March 31, 1978, following on its enormous growth in the previous 12 months. With all activities contributing and including the results of the Foreign International last time, the group's earnings climbed from £24.4m to a record £28.3m, with £16.4m, against £16.0m, coming in the second half.

After interest of £770,000 (£3.47m) trading profit reached £24.25m (£10.53m), representing an improved margin of 22 per cent (12.3 per cent) on sales down £82.5m at £110.12m. However, after the contribution from FIL is stripped out of last year's figures sales indicate an increase from £90.5m and profit up from £23.11m.

Now Sir Arthur Norman, the chairman, says that "the Board's confidence that the company, in its new combined form, will be able to sustain and improve its present soundly established position is as great as ever."

He says that the order books in general are at an encouraging level and, given a reasonable economic and social environment, the directors expect the group will show continued progress.

They are also to keep looking for opportunities either by acquisition or organic development to extend the range of the company's capability in its chosen fields.

Stated earnings per 25p share increased to 54.5p compared with 50.5p, excluding the results of FIL, and 57p including these figures. As in one forecast at the time of the November rights issue the net total dividend is stepped up to 55p (50.5p) equivalent after the division with a final of 54p. If the tax rate is cut to 33 per cent a further payment of 0.09875p will be paid with interim for 1978-1979.

Adjusted in line with the Hyde guidelines profit for the year would have been reduced to £23.7m. The tax charge has been adjusted in accordance with ED 19, no deferred tax.

Though interest is reported as a payment in net terms the group received £300,000 interest. At year end cash resources showed a net increase of £11.15m (£15.51m) and total funds employed were up from £56.02m to £67.17m with loans amounting to £6.3m (£4.01m).

The rights issued realised £8.7m and the initial £2m payment due for the sale of the group's 60 per cent interest in FIL to American Cyanamid Co. was received in April 1977, and a further £1.5m was received in April this year. The balance of £5.45m is to be received between 1979 and 1982. Bank loans and overdrafts were up at £5.1m (£5m) and bank balances amounted to £24.7m.

Sales in trading profit of the company's two main activities, were split as to security printing, £28.7m (£77.1m) and £21.4m (£17.4m) and graphics £26.4m (£13.1m) and £2.5m (£0.6m).

Without FIL's figures, exports

from the UK, including sales to subsidiaries, rose from £26m to £28m in the year to March 31, 1978. There was strong demand for the products and services of the security business and the graphics business lifted exports from £10m to £15m. Total exports and overseas sales amounted to £26m—78 per cent of group turnover.

Capital investment in land, buildings, plant and equipment amounted to £3.8m. This was less than the £10.2m expected at the time of the rights issue mainly because of delays in delivery of capital equipment.

The company will continue to invest in the profitable enterprises in which it is now engaged and £14m has been earmarked in the budget for the current year for this purpose, Sir Arthur says.

Spending on research and development and design reached £2.4m (£1.8m) during the year and the directors expect to spend in excess of £2m in 1978-79.

Stocks at the end of the year were 23 per cent higher at £20.6m. The major part of this increase was in the graphics division and arose as a result of the rapid expansion in the business, particularly in the area of new products. Money due to the group from customers and other sources showed a marked increase from £21m to £28m—23 per cent.

All divisions of the security side of the business have had a good year in terms of both volume and of profitability. The banknote business which accounts for 40 per cent of sales and half of profits improved on its outstanding performance in 1976/77 in spite of the absence this time of any contracts of an exceptional nature. The new plant in Malta reached full production.

A heavy capital expenditure programme, implemented at Thomas De La Rue during the year, will be continued during the current year, with the emphasis on replacement of obsolescent equipment, in particular at the main plant in Gateshead.

The division's current order book is healthy and margins are being maintained, largely due to product improvements.

The UK security systems print side produced a record result, due to the consequences of product rationalisation in recent years and partly because of particularly heavy business in bond printing for the London market.

The joint enterprise in Ireland, De La Rue Security, produced a modest profit and the international services activity surpassed its performance in 1976/77 in meeting world demand for security products of various kinds including again a considerable quantity of coins in collaboration with the Royal Mint.

A heavy programme of new product development is being maintained. The 9100 system, sorting used banknotes in strict, has great interest worldwide, and deliveries of production units will start in the current year. With other new counting and dispensing products being launched this

year, prospects for the business remain highly promising, says Sir Arthur.

In a particularly difficult trading year the Security Express division improved, but the cash-in-transit business had a hard time, with margins suffering as the result of intense competition and rising costs.

The Grosfeld Electronics division pushed turnover up by 80 per cent.

The division has started the current year with its order books again at record levels and is therefore viewing its immediate prospects with confidence.

By agreement with the Nigerian Federal Military Government, the company's stake in the Nigerian Security Printing and Minting Company is being reduced from 40 per cent to 25 per cent. It is planned that this change will be effected by the introduction of additional equity by the government without any subscription on the part of the group.

For a number of temporary and local reasons this company traded slightly less profitably in 1977/78.

1977 1977 1977
1978 1978 1978
Sales 118,122 88,195 127,679
UK 24,113 18,021 35,731
Export 94,009 70,174 91,948
Overseas 25,113 52,153 62,941
Trading profit 17,114 12,115 22,721
Interest 773 1,000 1,000
Share of profits 4,001 4,000 4,000
Pre-tax profit 23,388 23,386 24,438
Tax 1,278 1,028 1,153
Net profit 22,110 22,358 23,285
To minority 336 189 382
To group 21,774 22,169 22,903
Attributable 28,217 22,340 23,343
Dividends 3,000 2,250 2,250
Retain 14,537 18,912 18,912

Notes: 1. Excluding Formula International results. 2. Results as published. 3. Consistent mainly for cases of 100,000 due to fluctuations in exchange rates and 115,000 proceeds of sales from the stamp collection less a debit of £102,000 arising from a reduction in holding to an associate.

See Lex

BOARD MEETINGS

The following companies have passed dates of board meetings in the week. Such meetings are usually held for the purpose of considering the annual accounts, dividend and other matters. The dates of meetings are given in the week ending June 11, 1978.

TODAY

Interim—Hanson Trust, McCoullie Services Trust, United States and Steel Finance—Anderson's Rubber, Etc. in America—Harrington and Co. Ltd. (overseas) Development of Investment Trust, "The Times" Vener, Westbank Production.

FUTURE DATES

June 11: Allied Breweries, Bunnell's Personnel, Caledonian (Kiln), Hubner & Co. Ltd., Kilnhead (Hubner) Development, June 12: June 13: June 14: June 15: June 16: June 17: June 18: June 19: June 20: June 21: June 22: June 23: June 24: June 25: June 26: June 27: June 28: June 29: June 30: June 31: July 1: July 2: July 3: July 4: July 5: July 6: July 7: July 8: July 9: July 10: July 11: July 12: July 13: July 14: July 15: July 16: July 17: July 18: July 19: July 20: July 21: July 22: July 23: July 24: July 25: July 26: July 27: July 28: July 29: July 30: July 31: August 1: August 2: August 3: August 4: August 5: August 6: August 7: August 8: August 9: August 10: August 11: August 12: August 13: August 14: August 15: August 16: August 17: August 18: August 19: August 20: August 21: August 22: August 23: August 24: August 25: August 26: August 27: August 28: August 29: August 30: August 31: September 1: September 2: September 3: September 4: September 5: September 6: September 7: September 8: September 9: September 10: September 11: September 12: September 13: September 14: September 15: September 16: September 17: September 18: September 19: September 20: September 21: September 22: September 23: September 24: September 25: September 26: September 27: September 28: September 29: September 30: October 1: October 2: October 3: October 4: October 5: October 6: October 7: October 8: October 9: October 10: October 11: October 12: October 13: October 14: October 15: October 16: October 17: October 18: October 19: October 20: October 21: October 22: October 23: October 24: October 25: October 26: October 27: October 28: October 29: October 30: October 31: November 1: November 2: November 3: November 4: November 5: November 6: November 7: November 8: November 9: November 10: November 11: November 12: November 13: November 14: November 15: November 16: November 17: November 18: November 19: November 20: November 21: November 22: November 23: November 24: November 25: November 26: November 27: November 28: November 29: November 30: December 1: December 2: December 3: December 4: December 5: December 6: December 7: December 8: December 9: December 10: December 11: December 12: December 13: December 14: December 15: December 16: December 17: December 18: December 19: December 20: December 21: December 22: December 23: December 24: December 25: December 26: December 27: December 28: December 29: December 30: December 31: January 1: January 2: January 3: January 4: January 5: January 6: January 7: January 8: January 9: January 10: January 11: January 12: January 13: January 14: January 15: January 16: January 17: January 18: January 19: January 20: January 21: January 22: January 23: January 24: January 25: January 26: January 27: January 28: January 29: January 30: January 31: February 1: February 2: February 3: February 4: February 5: February 6: February 7: February 8: February 9: February 10: February 11: February 12: February 13: February 14: February 15: February 16: February 17: February 18: February 19: February 20: February 21: February 22: February 23: February 24: February 25: February 26: February 27: February 28: February 29: February 30: March 1: March 2: March 3: March 4: March 5: March 6: March 7: March 8: March 9: March 10: March 11: March 12: March 13: March 14: March 15: March 16: March 17: March 18: March 19: March 20: March 21: March 22: March 23: March 24: March 25: March 26: March 27: March 28: March 29: March 30: March 31: April 1: April 2: April 3: April 4: April 5: April 6: April 7: April 8: April 9: April 10: April 11: April 12: April 13: April 14: April 15: April 16: April 17: April 18: April 19: April 20: April 21: April 22: April 23: April 24: April 25: April 26: April 27: April 28: April 29: April 30: May 1: May 2: May 3: May 4: May 5: May 6: May 7: May 8: May 9: May 10: May 11: May 12: May 13: May 14: May 15: May 16: May 17: May 18: May 19: May 20: May 21: May 22: May 23: May 24: May 25: May 26: May 27: May 28: May 29: May 30: May 31: June 1: June 2: June 3: June 4: June 5: June 6: June 7: June 8: June 9: June 10: June 11: June 12: June 13: June 14: June 15: June 16: June 17: June 18: June 19: June 20: June 21: June 22: June 23: June 24: June 25: June 26: June 27: June 28: June 29: June 30: July 1: July 2: July 3: July 4: July 5: July 6: July 7: July 8: July 9: July 10: July 11: July 12: July 13: July 14: July 15: July 16: July 17: July 18: July 19: July 20: July 21: July 22: July 23: July 24: July 25: July 26: July 27: July 28: July 29: July 30: July 31: August 1: August 2: August 3: August 4: August 5: August 6: August 7: August 8: August 9: August 10: August 11: August 12: August 13: August 14: August 15: August 16: August 17: August 18: August 19: August 20: August 21: August 22: August 23: August 24: August 25: August 26: August 27: August 28: August 29: August 30: August 31: September 1: September 2: September 3: September 4: September 5: September 6: September 7: September 8: September 9: September 10: September 11: September 12: September 13: September 14: September 15: September 16: September 17: September 18: September 19: September 20: September 21: September 22: September 23: September 24: September 25: September 26: September 27: September 28: September 29: September 30: October 1: October 2: October 3: October 4: October 5: October 6: October 7: October 8: October 9: October 10: October 11: October 12: October 13: October 14: October 15: October 16: October 17: October 18: October 19: October 20: October 21: October 22: October 23: October 24: October 25: October 26: October 27: October 28: October 29: October 30: October 31: November 1: November 2: November 3: November 4: November 5: November 6: November 7: November 8: November 9: November 10: November 11: November 12: November 13: November 14: November 15: November 16: November 17: November 18: November 19: November 20: November 21: November 22: November 23: November 24: November 25: November 26: November 27: November 28: November 29: November 30: December 1: December 2: December 3: December 4: December 5: December 6: December 7: December 8: December 9: December 10: December 11: December 12: December 13: December 14: December 15: December 16: December 17: December 18: December 19: December 20: December 21: December 22: December 23: December 24: December 25: December 26: December 27: December 28: December 29: December 30: December 31: January 1: January 2: January 3: January 4: January 5: January 6: January 7: January 8: January 9: January 10: January 11: January 12: January 13: January 14: January 15: January 16: January 17: January 18: January 19: January 20: January 21: January 22: January 23: January 24: January 25: January 26: January 27: January 28: January 29: January 30: January 31: February 1: February 2: February 3: February 4: February 5: February 6: February 7: February 8: February 9: February 10: February 11: February 12: February 13: February 14: February 15: February 16: February 17: February 18: February 19: February 20: February 21: February 22: February 23: February 24: February 25: February 26: February 27: February 28: February 29: February 30: March 1: March 2: March 3: March 4: March 5: March 6: March 7: March 8: March 9: March 10: March 11: March 12: March 13: March 14: March 15: March 16: March 17: March 18: March 19: March 20: March 21: March 22: March 23: March 24: March 25: March 26: March 27: March 28: March 29: March 30: March 31: April 1: April 2: April 3: April 4: April 5: April 6: April 7: April 8: April 9: April 10: April 11: April 12: April 13: April 14: April 15: April 16: April 17: April 18: April 19: April 20: April 21: April 22: April 23: April 24: April 25: April 26: April 27: April 28: April 29: April 30: May 1: May 2: May 3: May 4: May 5: May 6: May 7: May 8: May 9: May 10: May 11: May 12: May 13: May 14: May 15: May 16: May 17: May 18: May 19: May 20: May 21: May 22: May 23: May 24: May 25: May 26: May 27: May 28: May 29: May 30: May 31: June 1: June 2: June 3: June 4: June 5: June 6: June 7: June 8: June 9: June 10: June 11: June 12: June 13: June 14: June 15: June 16: June 17: June 18: June 19: June 20: June 21: June 22: June 23: June 24: June 25: June 26: June 27: June 28: June 29: June 30: July 1: July 2: July 3: July 4: July 5: July 6: July 7: July 8: July 9: July 10: July 11: July 12: July 13: July 14: July 15: July 16: July 17: July 18: July 19: July 20: July 21: July 22: July 23: July 24: July 25: July 26: July 27: July 28: July 29: July 30: July 31: August 1: August 2: August 3: August 4: August 5: August 6: August 7: August 8: August 9: August 10: August 11: August 12: August 13: August 14: August 15: August 16: August 17: August 18: August 19: August 20: August 21: August 22: August 23: August 24: August 25: August 26: August 27: August 28: August 29: August 30: August 31: September 1: September 2: September 3: September 4: September 5: September 6: September 7: September 8: September 9: September 10: September 11: September 12: September 13: September 14: September 15: September 16: September 17: September 18: September 19: September 20: September 21: September 22: September 23: September 24: September 25: September 26: September 27: September 28: September 29: September 30: October 1: October 2: October 3: October 4: October 5: October 6: October 7: October 8: October 9: October 10: October 11: October 12: October 13: October 14: October 15: October 16: October 17: October 18: October 19: October 20: October 21: October 22: October 23: October 24: October 25: October 26: October 27: October 28: October 29: October 30: October 31: November 1: November 2: November 3: November 4: November 5: November 6: November 7: November 8: November 9: November 10: November 11: November 12: November 13: November 14: November 15: November 16: November 17: November 18: November 19: November 20: November 21: November 22: November 23: November 24: November 25: November 26: November 27: November 28: November 29: November 30: December 1: December 2: December 3: December 4: December 5: December 6: December 7: December 8: December 9: December 10: December 11: December 12: December 13: December 14: December 15: December 16: December 17: December 18: December 19: December 20: December 21: December 22: December 23: December 24: December 25: December 26: December 27: December 28: December 29: December 30: December 31: January 1: January 2: January 3: January 4: January 5: January 6: January 7: January 8: January 9: January 10: January 11: January 12: January 13: January 14: January 15: January 16: January 17: January 18: January 19: January 20: January 21: January 22: January 23: January 24: January 25: January 26: January 27: January 28: January 29: January 30: January 31: February 1: February 2: February 3: February 4: February 5: February 6: February 7: February 8: February 9: February 10: February 11: February 12: February 13: February 14: February 15: February 16: February 17: February 18: February 19: February 20: February 21: February 22: February 23: February 24: February 25: February 26: February 27: February 28: February 29: February 30: March 1: March 2: March 3: March 4: March 5: March 6: March 7: March 8: March 9: March 10: March 11: March 12: March 13: March 14: March 15: March 16: March 17: March 18: March 19: March 20: March 21: March 22: March 23: March 24: March 25: March 26: March 27: March 28: March 29: March 30: March 31: April 1: April 2: April 3: April 4: April 5: April 6: April 7: April 8: April 9: April 10: April 11: April 12: April 13: April 14: April 15: April 16: April 17: April 18: April 19: April 20: April 21: April 22: April 23: April 24: April 25: April 26: April 27: April 28: April 29: April 30: May 1: May 2: May 3: May 4: May 5: May 6: May 7: May 8: May 9: May 10: May 11: May 12: May 13: May 14: May 15: May 16: May 17: May 18: May 19: May 20: May 21: May 22: May 23: May 24: May 25: May 26: May 27: May 28: May 29: May 30: May 31: June 1: June 2: June 3: June 4: June 5: June 6: June 7: June 8: June 9: June 10: June 11: June 12: June 13: June 14: June 15: June 16: June 17: June 18: June 19: June 20: June 21: June 22: June 23: June 24: June 25: June 26: June 27: June 28: June 29: June 30: July 1: July 2: July 3: July 4: July 5: July 6: July 7: July 8: July 9: July 10: July 11: July 12: July 13: July 14: July 15: July 16: July 17: July 18: July 19: July 20: July 21: July 22: July 23: July 24: July 25: July 26: July 27: July 28: July 29: July 30: July 31: August 1: August 2: August 3: August 4: August 5: August 6: August 7: August 8: August 9: August 10: August 11: August 12: August 13: August 14: August 15: August 16: August 17: August 18: August 19: August 20: August 21: August 22: August 23: August 24: August 25: August 26: August 27: August 28: August 29: August 30: August 31: September 1: September 2: September 3: September 4: September 5: September 6: September 7: September 8: September 9: September 10: September 11: September 12: September 13: September 14: September 15: September 16: September 17: September 18: September 19: September 20: September 21: September 22: September 23: September 24: September 25: September 26: September 27: September 28: September 29: September 30: October 1: October 2: October 3: October 4: October 5: October 6: October 7: October 8: October 9: October 10: October 11: October 12: October 13: October 14: October 15: October 16: October 17: October 18: October 19: October 20: October 21: October 22: October 23: October 24: October 25: October 26: October 27: October 28: October 29: October 30: October 31: November 1: November 2: November 3: November 4: November 5: November 6: November 7: November 8: November 9: November 10: November 11: November 12: November 13: November 14: November 15: November 16: November 17: November 18: November 19: November 20: November 21: November 22: November 23: November 24: November 25: November 26: November 27: November 28: November 29: November 30: December 1: December 2: December 3: December 4: December 5: December 6: December 7: December 8: December 9: December 10: December 11: December 12: December 13: December 14: December 15: December 16: December 17: December 18: December 19: December 20: December 21: December 22: December 23: December 24: December 25: December 26: December 27: December 28: December 29: December 30: December 31: January 1: January 2: January 3: January 4: January 5: January 6: January 7: January 8: January 9: January 10: January 11: January 12: January 13: January 14: January 15: January 16: January 17: January 18: January 19: January 20: January 21: January 22: January 23: January 24: January 25: January 26: January 27: January 28: January 29: January 30: January 31: February 1: February 2: February 3: February 4: February 5: February 6: February 7: February 8: February 9: February 10: February 11: February 12: February 13: February 14: February 15: February 16: February 17: February 18: February 19: February 20: February 21: February 22: February 23: February 24: February 25: February 26: February 27: February 28: February 29: February 30: March 1: March 2: March 3: March 4: March 5: March 6: March 7: March 8: March 9: March 10: March 11: March 12: March 13: March 14: March 15: March 16: March 17: March 18: March 19: March 20: March 21: March 22: March 23: March 24: March 25: March 26: March 27: March 28: March 29: March 30: March 31: April 1: April 2: April 3: April 4: April 5: April 6: April 7: April 8: April 9: April 10: April 11: April 12: April 13: April 14: April 15: April 16: April 17: April 18: April 19: April 20: April 21: April 22: April 23: April 24: April 25: April 26: April 27: April 28: April 29: April 30: May 1: May 2: May 3: May 4: May 5: May 6: May 7: May 8: May 9: May 10: May 11: May 12: May 13: May 14: May 15: May 16: May 17: May 18: May 19: May 20: May 21: May 22: May 23: May 24: May 25: May 26: May 27: May 28: May 29: May 30: May 31: June 1: June 2: June 3: June 4: June 5: June 6: June 7: June 8: June 9: June 10: June 11: June 12: June 13: June 14: June 15: June 16: June 17: June 18: June 19: June 20: June 21: June 22: June 23: June 24: June 25: June 26: June 27: June 28: June 29: June 30: July 1: July 2: July 3: July 4: July 5: July 6: July 7: July 8: July 9: July 10: July 11: July 12: July 13: July 14: July 15: July 16: July 17: July 18: July 19: July 20: July 21: July 22: July 23: July 24: July 25: July 26: July 27: July 28: July 29: July 30: July 31: August 1: August 2: August 3: August 4: August 5: August 6: August 7: August 8: August 9: August 10: August 11: August 12: August 13: August 14: August 15: August 16: August 17: August 18: August 19: August 20: August 21: August 22: August 23: August 24: August 25: August 26: August 27: August 28: August 29: August 30: August 31: September 1: September 2: September 3: September 4: September 5: September 6: September 7: September 8: September 9: September 10: September 11: September 12: September 13: September 14: September 15: September 16: September 17: September 18: September 19: September 20: September 21: September 22: September 23: September 24: September 25: September 26: September 27: September 28: September 29: September 30: October 1: October 2: October 3: October 4: October 5: October 6: October 7: October 8: October 9: October 10: October 11: October 12: October 13: October 14: October 15: October 16: October 17: October 18: October 19: October 20: October 21: October 22: October 23: October 24: October 25: October 26: October 27: October 28: October 29: October 30: October 31: November 1: November 2: November 3: November 4: November 5: November 6: November 7: November 8: November 9: November 10: November 11: November 12: November 13: November 14: November 15: November 16: November 17: November 18: November 19: November 20: November 21: November 22: November 23: November 24: November 25: November 26: November 27: November 28: November 29: November 30: December 1: December 2: December 3: December 4: December 5: December 6: December 7: December 8: December 9: December 10: December 11: December 12: December 13: December 14: December 15: December 16: December 17: December 18: December 19: December 20: December 21: December 22: December 23: December 24: December 25: December 26: December 27: December 28: December 29: December 30: December 31: January 1: January 2: January 3: January 4: January 5: January 6: January 7: January 8: January 9: January 10: January 11: January 12: January 13: January 14: January 15: January 16: January 17: January 18: January 19: January 20: January 21: January 22: January 23: January 24: January 25: January 26: January 27: January 28: January 29: January 30: January 31: February 1: February 2: February 3: February 4: February 5: February 6: February 7: February 8: February 9: February 10: February 11: February 12: February 13: February 14: February 15: February 16: February 17: February 18: February 19: February 20: February 21: February 22: February 23: February 24: February 25: February 26: February 27: February 28: February 29: February 30: March 1: March 2: March 3: March 4: March 5: March 6: March 7: March 8: March 9: March 10: March 11: March 12: March 13: March 14: March 15: March 16: March 17: March 18: March 19: March 20: March 21: March 22: March 23: March 24: March 25: March 26: March 27: March 28: March 29: March 30: March 31: April 1: April 2: April 3: April 4: April 5: April 6: April 7: April 8: April 9: April 10: April 11: April 12: April 13: April 14: April 15: April 16: April 17: April 18: April 19: April 20: April 21: April 22: April 23: April 24: April 25: April 26: April 27: April 28: April 29: April 30: May 1: May 2: May 3: May 4: May 5: May 6: May 7: May 8: May 9: May 10: May 11: May 12: May 13: May 14: May 15: May 16: May 17: May 18: May 19: May 20: May 21: May 22: May 23: May 24: May 25: May 26: May 27: May 28: May 29: May 30: May 31: June 1: June 2: June 3: June 4: June 5: June 6: June 7: June 8: June 9: June 10: June 11: June 12: June 13: June 14: June 15: June 16: June 17: June 18: June 19: June 20: June 21: June 22: June 23: June 24: June 25: June 26: June 27: June 28: June 29: June 30: July 1: July 2: July 3: July 4: July 5: July 6: July 7: July 8: July 9: July 10: July 11: July 12: July 13: July 14: July 15: July 16: July 17: July 18: July 19: July 20: July 21: July 22: July 23: July 24: July 25: July 26: July 27: July 28: July 29: July 30: July 31: August 1: August 2: August 3: August 4: August 5: August 6: August 7: August 8: August 9: August 10: August 11: August 12: August 13: August 14: August 15: August 16: August 17: August 18: August 19: August 20: August 21: August 22: August 23: August 24: August 25: August 26: August 27: August 28: August 29: August 30: August 31: September 1: September 2: September 3: September 4: September 5: September 6: September 7: September 8: September 9: September 10: September 11: September 12: September 13: September 14: September 15: September 16: September 17: September 18: September 19: September 20: September 21: September 22: September 23: September 24: September 25: September 26: September 27: September 28: September 29: September 30: October 1: October 2: October 3: October 4: October 5: October 6: October 7: October 8: October 9: October 10: October 11: October 12: October 13: October 14: October 15: October 16: October 17: October 18: October 19: October 20: October 21: October 22: October 23: October 24: October 25: October 26: October 27: October 28: October 29: October 30: October 31: November 1: November 2: November 3: November 4: November 5: November 6: November 7: November 8: November 9: November 10: November 11: November 12: November 13: November 14: November 15: November 16: November 17: November 18: November 19: November 20: November 21: November 22: November 23: November 24: November 25: November 26: November 27: November 28: November 29: November 30: December 1: December 2: December 3: December 4: December 5: December 6: December 7: December 8: December 9: December 10: December 11: December 12: December 13: December 14: December 15: December 16: December 17: December 18: December 19: December 20: December 21: December 22: December 23: December 24: December 25: December 26: December 27: December 28: December 29: December 30: December 31: January 1: January 2: January 3: January 4: January 5: January 6: January 7: January 8: January 9: January 10: January 11: January 12: January 13: January 14: January 15: January 16: January 17: January 18: January 19: January

On 12TH June AP Bank will be getting a move on

No bank today can afford to stand still. At AP Bank we are taking this literally. We're changing our address. As from 12th June you will find us at:

**21 Great Winchester Street,
London, EC2N 2HH.**
(Our telephone and telex numbers remain unchanged.)

In our new offices we will continue to provide all our customary services backed by the specialised expertise and high standards of personal attention which have been our trademark over the years.

AP Bank Limited
A member of the Norwich Union Insurance Group
7 Bishopsgate,
London EC2N 3AB.
Telephone: 01-588 7575. Telex: 888218.

MINING NEWS

Profits rise steadily at Charter

By PAUL CHEESERIGHT

CHARTER CONSOLIDATED, the London arm of Anglo American, the South African mining finance house, yesterday declared a final dividend to give shareholders the maximum they may expect under current legislation.

The final for the year ending last March is 5.2745p, making a total distribution for the period of 12.5779p compared with 11.4345p in 1976-77.

Net profits for the year showed an increase broadly in line with expectations, moving up to £28.7m from £22.68m in the preceding financial year.

But the group remains troubled by the weight of extraordinary items which were £21.66m, compared with £9.22m in 1976-77, covering provisions against Cleveland Potash, the investment in Botswana RST and the net effect of currency provisions.

This means that instead of transferring £2.19m to the reserve, as was the case in 1976-77, there is a deficit of £4.9m.

The continued difficulties at Cleveland Potash, which is running below breakeven point and some 40 per cent of capacity, has led Charter to provide £7.5m against its investment. This is the first of three elements among the extraordinary items.

The second is a provision of £8m against the investment in Botswana RST, which reflects the operating losses of the Selebi-Pikwe nickel-copper venture, and

follows a restructuring of the operation's finances.

The surplus on the realisation of investments was more than doubled to £5.79m on the back of generally higher stock exchange prices and the improved market for gold shares.

Trading profits, however, were £271,000 down to £18,000 after the slight downturn at Cape Industries, although the group absorbed five months of profits from M. K. Refrigeration, a recent acquisition.

The results did not create much excitement on the market, and the shares finished unchanged on 138p, after 133p.

Offer for Inspiration

TWO ANGLO-AMERICAN units, Hudson Bay Mining and Smelting and Minoro, are making a bid of \$33 (£18.12) cash for each share in Inspiration Consolidated Copper.

The offer was announced in Toronto yesterday.

Between them, Hudson Bay and Minoro already have 40 per cent of the outstanding common stock, bought in 1975 for \$37 a share.

The current bid values the balance of the common stock at \$88m (£37.4m).

The relevant documents have been filed with the authorities in Maine and New Jersey, where officials will require at least 20 days to ponder the tender.

As a result, now an Atlantic Richfield subsidiary, owns 20 per cent of Inspiration, it was originally offered \$30 a share, but rejected it as inadequate.

COMPAGNIE FINANCIERE DE SUEZ

The Annual General Meeting of Compagnie Financière de Suez was held in Paris on May 24, 1978.

The following is a summary of the statement of the Chairman, Monsieur Michel Caplain at the Meeting:

Since our last Meeting, the atmosphere has become considerably brighter, thanks to the good sense of the French people.

Although this change in economic policy is a good thing, it is rather optimistic last year in counting on this good sense and in predicting—always a dangerous practice—that those who had invested at prices then current had more chance of gaining than losing.

Today, the political horizon is clear but the economic and social problems remain and everything depends upon the expansion of our economy.

Never, for a long time, have circumstances so favoured the adoption of a liberal policy. No vote catching measures indeed are necessary in view of the political and intellectual defeat of Marxism and the fact that no elections are due in the near future.

This does not mean however that the choice is easy in that freedom of action should now be synonymous with inaction.

The economic policy of France has to be expanded today under difficult international and domestic conditions.

Internationally, we are not faced with a worldwide crisis but with the problem of adapting to a new world. It is not a question of overcoming a fleeting difficulty.

Unfortunately, French companies are entering upon this time of change with particularly weak financial structures and the chief priority now is to strengthen them.

In fact, for many years, French firms have been incapable of maintaining their own resources at a reasonable level for two reasons—the impossibility of retaining a sufficient portion of their cash flow because of price controls—and the impossibility of increasing their capital because of the weakness of the stock market.

This was the result of a general policy hostile to profit-making and a taxation policy discouraging to shareholding.

The return to health of the French economy therefore depends on the withdrawal of price controls and the growth of shareholding.

Today, because of the fiscal system, it is much more economic for a firm to borrow than to increase its capital and it is much more tempting for an investor to purchase bonds, or even to keep his savings liquid, than to buy shares.

The result is that the stock market has forced yields on French shares to a level of 12 per cent, and even after the rise which greeted the elections, yields of 9 per cent to 10 per cent are not unusual.

It will not be a smooth passage from the present situation to a reasonable one.

The withdrawal of price controls will require much level-headedness on the part of the Government and different social groups, for the consequences of several decades of controls cannot be wiped out at one stroke.

It is not the monthly variations of the index which will be significant but its performance in the longer term. The sooner the return to freedom the easier it will be for after a period of adjustment, the stock market, rather than the Government, will undertake to keep prices in order, as is the case in Germany or Switzerland.

The change in the taxation rules relating to shares should be easier for it is not very costly in the end. With a system whereby bonds or cash savings are subject to one definite rate of tax while shareholders suffer 44% (Bisphop, London EC2N 44R (Tel. 01-588 4941, Ext. 232), double taxation on their shares, and at a rate of 80 per cent, it is not surprising that only one in 25 Frenchmen is a shareholder in a "société anonyme".

An English translation of the Report and Accounts will be obtainable, later in London from BANQUE DE L'INDOCHINE ET DE SUEZ, Securities Department, 62-64 Bishopsgate, London EC2N 44R (Tel. 01-588 4941, Ext. 232), in the United States from Mr. C. R. Bot, U.S. representative of 35 Frenchmen is a shareholder in Suez, 1 Chase Manhattan Plaza, New York, N.Y. 10005, U.S.A.

Wage rise for white miners in South Africa

A WAGE AWARD of 8 per cent standard rates has been agreed by the South African Chamber of Mines and the Council of Mining Unions, which represents some 25,000 white mineworkers in gold mines and collieries, reports Quentin Peel from Johannesburg.

The award, which also provides for increases in service increments to benefit longer serving workers, and base pay rises of R40 (£23.30) a month for May and June, was made by a statutory conciliation board after the two sides had declared a dispute.

It falls far short of the union's original 17 per cent claim, and is considerably closer to the Chamber's first 4 per cent offer.

The deal represents a considerable success for the Chamber, which had argued that costs in the industry had increased at an unacceptably fast rate in recent years, without any increase in productivity.

The unions were seeking a rise which would match the 11 per cent increase in the cost of living, and make up for the shortfall last year, when they won an award of only 5 per cent.

Unions also argued that the big increase in the gold price over the past year meant that the Chamber could afford a more generous offer.

The negotiations represent the first round for the Chamber of Mines, which must now conclude deals with some 16,000 white officials, and 400,000 black workers.

Black wages have risen at a faster rate than white in recent years, although the difference has not been great, and the absolute gap has actually increased.

In spite of previous scepticism in various quarters, a "commercially viable process with a unique flow sheet" has been developed and proved on a pilot plant scale for the beneficiation of low grade ores.

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Hodge recommends that the mining operation should be carried out under contract, but adds "it is imperative that strict and expert control should be exercised in order to ensure that the requirements relating to ore blending are consistently met."

Fluorspar hope for Southland
SOUTHLAND MINING of Sydney has received a favourable appraisal of its Placanco fluor-

SPAR deposit, 42 km north-west of Home from B. Partners. The report takes stage further the attempts to bring the deposit to production.

Hodge concludes that output costs, estimated at \$32.07 per tonne of melpur, are relatively low in view of the high quality of the product. With an annual output of 200,000 tonnes there are sufficient reserves for a project life of 16 years.

Various groups have been looking at Placanco for 20 years but have tended to lose interest because of problems with the beneficiation of the ore.

Southland became involved in 1971 and has sought to apply new techniques to the deposit.

"In spite of previous scepticism in various quarters, a 'commercially viable process with a unique flow sheet' has been developed and proved on a pilot plant scale for the beneficiation of low grade ores."

The process produces pellets containing at least 80 per cent fluorite, less than 4 per cent silica and less than 0.5 per cent total sulphur, states the Hodge appraisal.

Proven reserves at Placanco are 7.78m tonnes of ore with an average fluorite grade of 43.89 per cent. The tonnage is present in an almost horizontal seam, and is suitable for open-pit mining.

Newman Inds. in good position

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1-Banks	May 17, 1978	Change on month
Eligible liabilities		
U.K. banks		
London clearing banks	24,937	+251
Scottish clearing banks	2,107	+40
Northern Ireland banks	841	+15
Accepting houses	1,906	+16
Other	6,461	+124
Overseas banks		
American banks	4,140	+149
Japanese banks	263	+22
Other overseas banks	2,996	+7
Consortium banks	245	+7
Total eligible liabilities	44,496	+613

Reserve assets		
U.K. banks		
London clearing banks	3,348	+90
Scottish clearing banks	363	+10
Northern Ireland banks	118	-2
Accepting houses	288	+7
Other	887	+7
Overseas banks		
American banks	613	+18
Japanese banks	40	+3
Other overseas banks	489	+40
Consortium banks	49	+2
Total reserve assets	6,195	+87

Constitution of total reserve assets		
Balances with Bank of England	351	-4
Money at call:		
Discount market	3,339	+37
Other	216	-30
U.K. reserve certificates	918	+75
U.K. Northern Ireland Treasury Bills	118	+18
Local authority	755	-11
Commercial	498	+2
British Government stocks with one year or less to final maturity	—	—
Other	—	—
Total reserve assets	6,195	+87

Ratios %		
U.K. banks		
London clearing banks	13.4	+0.2
Scottish clearing banks	13.4	+0.1
Northern Ireland banks	14.0	-0.4
Accepting houses	15.1	-0.3
Other	13.7	-0.3
Overseas banks		
American banks	14.8	-0.1
Japanese banks	15.2	+1.2
Other overseas banks	16.3	-1.5
Consortium banks	19.9	+0.1
Combined ratio	13.9	—

N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to	328	+315
2—Finance houses		
Eligible liabilities	341	+16
Reserve assets	35.3	+1.8
Ratio (%)	10.4	—

Special deposits at May 17 were £1,284m (up £38m) for banks and £10m (unchanged) for finance houses. * Interest-bearing eligible liabilities were £30,086m (up £707m).

London Clearing Banks' balances

as at May 17, 1978

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

LIABILITIES	Total outstanding	Change on month
£m.	£m.	£m.
Sterling deposits:		
U.K. banking sector	4,462	-572
U.K. private sector	26,400	+201
U.K. public sector	617	-49
Overseas residents	2,153	-3
Certificates of deposit	2,394	+24
of which: Sight	35,997	-339
Time (inc. CD's)	15,102	-321
Foreign currency deposits:		
U.K. banking sector	3,665	+117
U.K. private sector	1,184	+122
Overseas residents	11,018	+296
Certificates of deposit	1,128	-28
Total deposits	16,996	+508
Other liabilities*	5,786	+98
TOTAL LIABILITIES	61,778	+207
ASSETS	Total outstanding	Change on month
£m.	£m.	£m.
Cash and balances with Bank of England	1,111	+5
Market loans:		
U.K. banks	2,141	+60
Discount market	3,237	-411
Other	889	-178
Certificates of deposit	1,203	-29
Local authorities	573	-120
Other	9,884	-678
Acceptances	260	-25

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL	BARCLAYS	LLOYDS	MIDLAND	NATIONAL WESTMINSTER	WILLIAMS & GILLY
	£m.	£m.	£m.	£m.	£m.	£m.
LIABILITIES						
Total deposits	32,993	+109	14,463	+221	9,830	-412
ASSETS						
Cash and balances with Bank of England	1,111	+5	386	+33	176	-64
Market loans:						
U.K. banks and discount market	10,806	-225	2,769	+51	2,342	-398
U.K. private sector	9,725	-200	2,579	-59	2,679	+7
U.K. public sector	1,334	-65	265	-1	108	-24
Overseas residents	1,128	-28	197	+11	197	+11
Certificates of deposit	852	+26	257	+3	118	+6
British Government stocks	2,273	+10	310	+4	437	+6
Advances	27,848	+363	8,069	+104	4,156	+98

TABLE 3. CREDIT CONTROL INFORMATION

	1978	1977
£m.	£m.	£m.
Eligible liabilities	24,708	+253
Reserve assets	3,330	+94
Ratio (%)	13.4	+0.2

Sabah well placed for expansion

The liquid resources of the Sabah United Assurance Company at the end of 1977, totalled £4.17m, which places the group in a good position to respond to opportunities for expansion as well as to improve its trading conditions, states Mr. J. McLeod, chairman.

Since the end of 1977 five additional policies have been made to the group. Although individually not very large, together they represent a useful extension to the group's distribution network in the United Kingdom.

Mr. McLeod reports that the group's business is under a steady upward trend, with the company continuing to broaden its base of existing units.

The chairman explains that the company's business is under a steady upward trend, with the company continuing to broaden its base of existing units.

The chairman explains that the company's business is under a steady upward trend, with the company continuing to broaden its base of existing units.

The chairman explains that the company's business is under a steady upward trend, with the company continuing to broaden its base of existing units.

FS Assurance launches income bond

FS ASSURANCE, the Glasgow-based life company, has launched a new guaranteed income bond, which can also be used as a growth bond, yielding 8½ per cent net of basic rate tax.

The contract takes the form of a single premium endowment assurance—term three, four or five years, with guaranteed bonuses added to the plan at the rate of 8½ per cent per annum.

The investor can either cash in these bonuses at the end of each year, thereby providing a guaranteed income, or leave them to roll up thereby ensuring a guaranteed growth.

This is the first time that the company has marketed a guaranteed income bond. Previously, it had confined itself to a guaranteed growth plan only. Now it has extended its range offering investors the choice of growth or income within the same contract.

Another good year for De La Rue

"After the spectacular advance of 1976/77 the Board's confidence that the Company, in its new cohesive shape with its clear new identity, is fully capable of sustaining and improving upon its present soundly based position is as great as ever."

The central product of the business is the banknote, in which we hold a dominant position in the available world market. It accounts for 40 per cent of our turnover and half our profits. These we regard as reasonable proportions, considering the level of world demand for this important commodity and the opportunities for the supply of related products and services with which our market position and reputation as the world's leading suppliers of currency provide us.

De La Rue goods and services possess the characteristics of high performance, high dependability and a high level of after-sales service. These features are common to everything that De La Rue sells.

Sir Arthur Norman, KBE, DFC, CHAIRMAN.

Thomas De La Rue

The Banknote business improved on its outstanding performance of last year. Order book is healthy for the new financial year and margins are being maintained.

De La Rue Crosfield

The Division moved into profit from a position of fairly substantial loss. Prospects for the business: highly promising.

Crosfield Electronics

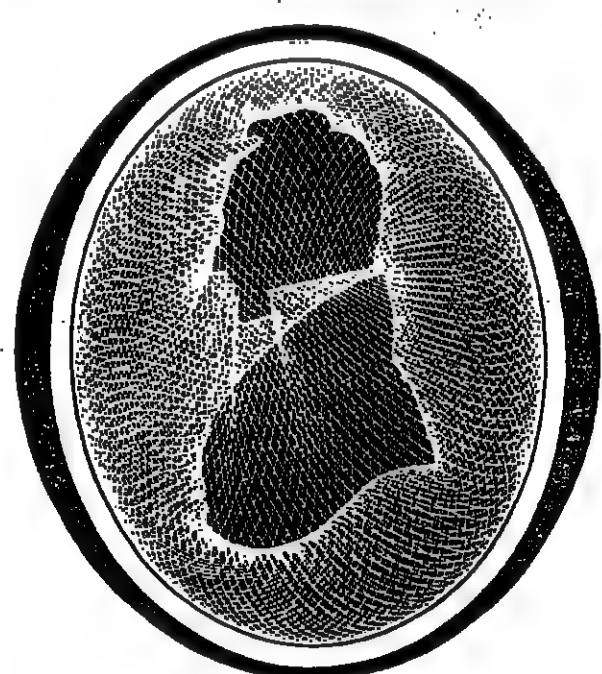
Spectacular progress with turnover up by 60% and profits quadrupled. Order book again at record level and immediate prospects are viewed with confidence.

Security Express

In a particularly difficult trading year the Division did well to improve on its results.

Associated Companies

Current year prospects look good at this stage.



Results for the year to 31st March 1978

	1978	1977
£000	£000	£000
Sales:		
UK	24,619	19,631
Export	68,369	58,149
Overseas	17,134	12,415
	110,122	90,195
Trading profit before interest payable	25,019	19,088
Interest payable	770	888
Trading profit	24,249	18,200
Percentage on Sales	22.0%	20.2%
Share of profits of associated companies	4,091	4,906
Profit before taxation	28,340	23,106
Taxation (Note 2)	8,379	10,036
Profit after taxation	19,961	13,070
Minority interests	356	189
Profit attributable to The De La Rue Company Limited, before extraordinary items	19,605	12,881
Extraordinary items	912	(538)
	20,517	12,343
Dividends	3,660	2,268
Retained earnings	16,857	10,075
Earnings per Ordinary share, (before extraordinary items)	5.44p	36.9p

Note 1: 1977 figures are restated to conform with the revised accounting policy adopted from 1st April 1977.

Note 2: Dividends payable in 1978 are £3.66 per share, subject to the approval of the shareholders at the AGM on 28th April 1978.

Notice of Redemption

Massey-Ferguson Nederland N.V.

9 1/2% Guaranteed Sinking Fund Debentures Due July 1, 1982

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Fiscal Agency Agreement dated as of July 1, 1975 under which the above described Debentures were issued, Citibank, N.A., as Fiscal Agent, has drawn by lot, for redemption on July 1, 1978, through the operation of the sinking fund provided for in the said Agreement, \$1,000,000 principal amount of Debentures of the said issue of the following distinctive numbers:-

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING									
M 1	2870	5436	8903	10144	12705	14818	17002	22323	24806
2	2870	5436	8903	10144	12705	14818	17002	22323	24806
3	2870	5436	8903	10144	12705	14818	17002	22323	24806
4	2870	5436	8903	10144	12705	14818	17002	22323	24806
5	2870	5436	8903	10144	12705	14818	17002	22323	24806
6	2870	5436	8903	10144	12705	14818	17002	22323	24806
7	2870	5436	8903	10144	12705	14818	17002	22323	24806
8	2870	5436	8903	10144	12705	14818	17002	22323	24806
9	2870	5436	8903	10144	12705	14818	17002	22323	24806
10	2870	5436	8903	10144	12705	14818	17002	22323	24806
11	2870	5436	8903	10144	12705	14818	17002	22323	24806
12	2870	5436	8903	10144	12705	14818	17002	22323	24806
13	2870	5436	8903	10144	12705	14818	17002	22323	24806
14	2870	5436	8903	10144	12705	14818	17002	22323	24806
15	2870	5436	8903	10144	12705	14818	17002	22323	24806
16	2870	5436	8903	10144	12705	14818	17002	22323	24806
17	2870	5436	8903	10144	12705	14818	17002	22323	24806
18	2870	5436	8903	10144	12705	14818	17002	22323	24806
19	2870	5436	8903	10144	12705	14818	17002	22323	24806
20	2870	5436	8903	10144	12705	14818	17002	22323	24806
21	2870	5436	8903	10144	12705	14818	17002	22323	24806
22	2870	5436	8903	10144	12705	14818	17002	22323	24806
23	2870	5436	8903	10144	12705	14818	17002	22323	24806
24	2870	5436	8903	10144	12705	14818	17002	22323	24806
25	2870	5436	8903	10144	12705	14818	17002	22323	24806
26	2870	5436	8903	10144	12705	14818	17002	22323	24806
27	2870	5436	8903	10144	12705	14818	17002	22323	24806
28	2870	5436	8903	10144	12705	14818	17002	22323	24806
29	2870	5436	8903	10144	12705	14818	17002	22323	24806
30	2870	5436	8903	10144	12705	14818	17002	22323	24806
31	2870	5436	8903	10144	12705	14818	17002	22323	24806
32	2870	5436	8903	10144	12705	14818	17002	22323	24806
33	2870	5436	8903	10144	12705	14818	17002	22323	24806
34	2870	5436	8903	10144	12705	14818	17002	22323	24806
35	2870	5436	8903	10144	12705	14818	17002	22323	24806
36	2870	5436	8903	10144	12705	14818	17002	22323	24806
37	2870	5436	8903	10144	12705	14818	17002	22323	24806
38	2870	5436	8903	10144	12705	14818	17002	22323	24806
39	2870	5436	8903	10144	12705	14818	17002	22323	24806
40	2870	5436	8903	10144	12705	14818	17002	22323	24806
41	2870	5436	8903	10144	12705	14818	17002	22323	24806
42	2870	5436	8903	10144	12705	14818	17002	22323	24806
43	2870	5436	8903	10144	12705	14818	17002	22323	24806
44	2870	5436	8903	10144	12705	14818	17002	22323	24806
45	2870	5436	8903	10144	12705	14818	17002	22323	24806
46	2870	5436	8903	10144	12705	14818	17002	22323	24806
47	2870	5436	8903	10144	12705	14818	17002	22323	24806
48	2870	5436	8903	10144	12705	14818	17002	22323	24806
49	2870	5436	8903	10144	12705	14818	17002	22323	24806
50	2870	5436	8903	10144	12705	14818	17002	22323	24806
51	2870	5436	8903	10144	12705	14818	17002	22323	24806
52	2870	5436	8903	10144	12705	14818	17002	22323	24806
53	2870	5436	8903	10144	12705	14818	17002	22323	24806
54	2870	5436	8903	10144	12705	14818	17002	22323	24806
55	2870	5436	8903	10144	12705	14818	17002	22323	24806
56	2870	5436	8903	10144	12705	14818	17002	22323	24806
57	2870	5436	8903	10144	12705	14818	17002	22323	24806
58	2870	5436	8903	10144	12705	14818	17002	22323	24806
59	2870	5436	8903	10144	12705	14818	17002	22323	24806
60	2870	5436	8903	10144	12705	14818	17002	22323	24806
61	2870	5436	8903	10144	12705	14818	17002	22323	24806
62	2870	5436	8903	10144	12705	14818	17002	22323	24806
63	2870	5436	8903	10144	12705	14818	17002	22323	24806
64	2870	5436	8903	10144	12705	14818	17002	22323	24806
65	2870	5436	8903	10144	12705	14818	17002	22323	24806
66	2870	5436	8903	10144	12705	14818	17002	22323	24806
67	2870	5436	8903	10144	12705	14818	17002	22323	24806
68	2870	5436	8903	10144	12705	14818	17002	22323	24806
69	2870	5436	8903	10144	12705	14818	17002	22323	24806
70	2870	5436	8903	10144	12705	14818	17002	22323	24806
71	2870	5436	8903	10144	12705	14818	17002	22323	24806
72	2870	5436	8903	10144	12705	14818	17002	22323	24806
73	2870	5436	8903	10144	12705	14818	17002	22323	24806
74	2870	5436	8903	10144	12705	14818	17002	22323	24806
75	2870	5436	8903	10144	12705	14818	17002	22323	24806
76	2870	5436	8903	10144	12705	14818	17002	22323	24806
77	2870	5436	8903	10144	12705	14818	17002	22323	24806
78	2870	5436	8903	10144	12705	14818	17002	22323	24806
79	2870	5436	8903	10144	12705	14818	17002	22323	24806
80	2870	5436	8903	10144	12705	14818	17002	22323	24806
81	2870	5436	8903	10144	12705	14818	17002	22323	24806
82	2870	5436	8903	10144	12705	14818	17002	22323	24806
83	2870	5436	8903	10144	12705	14818	17002	22323	24806
84	2870	5436	8903	10144	12705	14818	17002	22323	24806
85	2870	5436	8903	10144	12705	14818	17002	22323	24806
86	2870	5436	8903	10144	12705	14818	17002	22323	24806
87	2870	5436	8903	10144	12705	14818	17002	22323	24806
88	2870	5436	8903	10144	12705	14818	17002	22323	24806
89	2870	5436	8903	10144	12705	14818	17002	22323	24806
90	2870	5436	8903	10144	12705	14818	17002	22323	24806
91	2870	5436	8903	10144	12705	14818	17002	22323	24806
92	2870	5436	8903	10144	12705	14818	17002	22323	24806
93	2870	5436	8903	10144	12705	14818	17002	22323	24806
94	2870	5436	8903	10144	12705	14818	17002	22323	24806
95	2870	5436	8903	10144	12705	14818	17002	22323	24806
96	2870	5436	8903	10144	12705	14818	17002	22323	24806
97	2870	5436	8903	10144	12705	14818	17002	22323	24806
98	2870	5436	8903	10144	12705	14818	17002	22323	24806
99	2870	5436	8903	10144	12705	14818	17002	22323	24806
100	2870	5436	8903	10144	12705	14818	17002	22323	24806

The Debentures specified above are to be redeemed for sinking fund (a) at the W.C.G. Agency Services Department of the Fiscal Agent, 111 Wall St., Bond Window—2nd Floor, in the Borough of Manhattan, The City of New York or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in London (Citibank House); Citibank (Luxembourg) S.A.; Credito Italiano, Milan; Dresdner Bank Aktiengesellschaft, Frankfurt/Main; Pierson, Holding & Pierson, Amsterdam; Societe Generale, Paris; Swiss Bank Corporation, Basel; Credit Suisse, Zurich and Societe Generale de Banque S.A., Brussels. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by transfer to a United States dollar account maintained by the payee with a bank in New York City on July 1, 1978, the date on which they shall become due and payable, UPON PRESENTATION AND SURRENDER THEREOF, at the redemption price of 100 per cent of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after said redemption date, interest on said Debentures will cease to accrue.

The Debentures should be presented at the offices set forth in the preceding paragraph on the said date with all interest coupons attached and due to the redemption date.

Coupons due July 1, 1978 should be detached and presented for payment in the usual manner.

For MASSEY-FERGUSON NEDERLAND N.V.

By CITIBANK, N.A.
Fiscal Agent

May 31, 1978

Hoechst Aktiengesellschaft

Payment of Dividend

NOTICE IS GIVEN to shareholders that following a resolution passed at the Annual General Meeting of shareholders held on 6th June, 1978 a dividend for the year ended 31st December, 1977 of 12% on the nominal value of the shares will be paid as from 7th June, 1978 against delivery of Coupon No. 38 or lodgement of London Deposit Certificate for marking Square No. 28.

The dividend of 12% will be subject to German Capital Yields Tax of 25%.

Coupons and London Deposit Certificate may be presented as from 7th June, 1978 to

S. G. Warburg & Co. Ltd., Coupon Department,
St. Albans House, Goldsmith Street,
London, EC2P 2DL

from whom appropriate claim forms can be obtained.

Coupons will be paid at the rate of exchange ruling on the day of presentation.

Payments in respect of London Deposit Certificate will be made at the rate of exchange ruling on the day of receipt of dividend on the underlying shares deposited in Germany.

United Kingdom Income Tax will be deducted at the rate of 15% unless claims are accompanied by an affidavit.

German Capital Yields Tax deducted in excess of 15% is recoverable by United Kingdom residents, and the Company's United Kingdom Paying Agent will, upon request, provide Authorised Depositaries with the appropriate forms for such recovery.

Frankfurt am Main, June 1978

Hoechst Aktiengesellschaft

BANKING AND SOURCES OF FINANCE IN THE FAR EAST

Published by the Banker Research Unit and now available, this new volume describes banking systems and credit sources in ten countries of the Far East. These are:

AUSTRALIA, NEW ZEALAND, INDONESIA,
THE PHILIPPINES, THAILAND, MALAYSIA,
SINGAPORE, HONG KONG, JAPAN and
SOUTH KOREA

Written by experts in each country, each chapter defines and analyses the banking system; the different types of banks, the services offered; the system of bank and credit control; banking legislation, interest rates; near banking activity and institutions; merchant banking; investment banking; official and semi-official institutions; export finance; the money markets, the capital markets, and a summary of all short, medium and long-term sources of funds.

Limp bound, 340 A4 size pages. ISBN 0 902998 17 X
Price £26.00 in the U.K. \$52.00 outside the U.K.

Your order to:
THE BANKER RESEARCH UNIT
BRACKEN HOUSE
10 CANNON STREET
LONDON EC4A 4BY
Registered in England No. 227590

Financial Times Wednesday, June 7 1978

Central & Sheerwood sees more growth

INDICATIONS are that 1978 will show further growth for Central & Sheerwood and Mr. Francis Singer, chairman, feels that the group is well set to continue its progress and prosperity for the years ahead.

During the year a number of projects, including the walking dragline, will make their first contribution to profits. Smaller acquisitions are constantly being considered and the directors would also consider a major transaction should a suitable opportunity occur.

In the year 1977 group pre-tax profits expanded from £3.34m to £4.71m, with earnings per share rising from 4.92p to 6.32p.

Net tangible assets increased from £14.55m to £16.55m. Liquidity improved considerably during the year - net short term borrowings were reduced from £4.12m to £0.97m.

Despite the problems of the British Motor Car industry the Duma Group offshoot, which specialises in the production of high quality non-ferrous die-casting, made further progress. Its export business is expanding and promises continuous growth for years ahead.

Tranco Redfire which has a significant share of the solid fuel domestic oil and central heating boiler market had a good year after a thorough reorganisation and made a significant contribution to profit. Dawson MRP, the hospital sterilising and catering equipment makers, was running at a profit towards the end of the year. The chairman says that this group is well set to become a significant force in a market which is up to now has relied far too much on imported equipment.

Newton Chambers Engineering had an excellent year with profits rising steeply. Photopia has lived up to its expectations at the time of the offer and the chairman feels that its consistent growth record will continue.

The scope for the group's financial services is expanding and further growth is expected.

The pre-tax profit adjusted in

accordance with the Hyde guidelines is shown at £2.57m, after additional depreciation of £0.55m, cost of sales adjustment £1.33m, less gearing £0.44m. The directors say that they have considerable reservations as to benefits to be derived from the publication of these figures.

Meeting Hyde Park Hotel, S.W., June 28 at noon.

Fall in dollar hits Burrough

MAINLY REFLECTING the reduction in the value of the dollar, pre-tax profits of James Burroughs, the Beeston gin distilling group, declined from £3.22m to £3.12m in the year ended February 28, 1978. Turnover improved from £34.17m to £25.52m.

A second interim dividend of 2.97p is declared taking the total up from 3.3p to 4.29p. Burroughs is a public but unquoted concern.

Scottish Heritable sees growth

The arrangement to buy further shares in Trans-Continental Carpets and the acquisition of City Estates will have a beneficial effect on 1978 profits at Scottish Heritable Trust, Mr. A. Cochran Duncan, the chairman says in his annual statement. He is confident group profits will show a further increase in the year.

He says Trans-Continental has been trading well and that by December 31, 1978, it will be at least 50.6 per cent owned. The group intends taking up its

option at May 1, 1979, to make the company a wholly owned subsidiary. It will make a substantially improved contribution to 1978 profits, he says.

The acquisition in May this year of City Estates, a residential property company in Glasgow, has enabled the group's property division to replenish its stock of residential property.

Current trading in all group divisions is buoyant, with the exception of the motor supply operations, which remain disappointing.

In 1977 pre-tax profit of Scottish Heritable improved from £0.34m to £0.51m.

Meeting, Glasgow, June 28 at noon.

Record at Rowton Hotels

A RECORD pre-tax profit of £0.95m against £0.68m was achieved by Rowton Hotels in 1977 on turnover ahead from £7.42m to £8.55m.

The result includes non-trading profits largely from investment portfolio realisations of £111,402 (£2,070). At half-time profit was up from £0.27m to £0.36m.

Mr. W. B. Harris, the chairman, says that the three London hotels and the Mill Hotel in Suffolk had a most successful year. Occupancy in its London hotels remained at a high level.

For the current year, after a slow start directors expect a busy year, he says. However, the company has yet to complete the modernisation of its vacant office space or to find tenants.

Profit is subject to tax of £0.47m (£0.34m). Last year there were extraordinary credits of £0.47m.

The final dividend of 3.6975517p takes the total from 5.6080835p to 6.2072352p net per 25p share.

British Syphon improves

THE SLACKNESS in demand for cooling equipment at British Syphon Industries has continued into 1978 and is bound to offset to some extent the increased activity in other parts of the group, Mr. J. R. Eardley, the chairman, says in his annual review.

The group is, however, trading at a higher level than in the second half of 1977 when a depressed £0.42m was earned, and Mr. Eardley trusts that this improvement will continue throughout the remainder of the year.

Last year while demand for cooling equipment from the brewing industry was lower, the group's market penetration was increased.

Efforts were also made to increase exports, resulting in a 25 per cent increase to £9.54m. The costs involved were considerable and the real benefits will only be felt in the future as markets develop, Mr. Eardley says.

Mr. J. Coull, the managing director, says the expansion of the disposal equipment division facilities which began in 1976 continued last year with the acquisition of further production area. This is due to come on stream this year.

The engineering division will also benefit in the future from greatly improved facilities, although the local and national shortage of skilled engineering manpower which continued last year may limit growth in the division in the near future.

Completion of the revision of systems and the broadening of the product base as a prelude to further expansion in the merchanting division coincided with increased demand in the closing months of 1977 and this is likely to be sustained this year.

As well as increased activity in materials handling and storage products, franchises have been negotiated for new plastic materials which should have wide demand in the future.

At year end net current assets of the group were up from £3.12m to £3.04m. Industrial and Commercial Finance Corporation and one of its associates is a substantial shareholder with 849,125 shares, and is also a major lender to the group.

SCOTTISH NORTHERN

Scottish Northern Investment Trust has renewed its loan of U.S.\$ 3.5m from Clydesdale Bank for three months with effect from June 6. The rates of interest is 9 1/2 per cent.

This advertisement is not to be construed as a public offering in any province of Canada of the securities mentioned herein.

The Royal Bank of Canada

\$60,000,000

9 1/4% Debentures

To be dated June 1, 1978

To mature June 1, 1986

Price: 100 and accrued interest

Copies of the offering circular may be obtained from such of the undersigned and other dealers as may lawfully offer these securities in this province.

- | | |
|---|--|
| Wood Gundy Limited | Nesbitt Thomson Securities Limited |
| Merrill Lynch, Royal Securities Limited | A. E. Ames & Co. Limited |
| Greenshields Incorporated | Dominion Securities Limited |
| Richardson Securities of Canada | Midland Doherty Limited |
| Lévesque, Beaubien Inc. | Walwyn Stodgell Cochran Murray Limited |
| Tasse & Associés, Limited | Pemberton Securities Limited |
| Andras, Bartlett, Cayley Ltd. | Geoffrion, Robert & Gélinas Ltd. |
| Mead & Co. Limited | Brault, Guy, O'Brien Inc. |
| Bell, Gouinlock & Company, Limited | Molson, Rousseau & Co. Limited |
| F. H. Deacon, Hodgson Inc. | Odlum Brown & T. B. Read Ltd. |
| Scotia Bond Company Limited | Houston Willoughby Limited |
| McNeil, Mantha, Inc. | John Graham & Company Limited |
| | Pitfield Mackay Ross Limited |
| | Burns Fry Limited |
| | McLeod Young Weir Limited |
| | Equitable Securities Limited |
| | Maison Placements Canada Inc. |
| | A. E. Oiler, Wills, Bickle Limited |
| | McDermid, Miller & McDermid Limited |
| | Casgrain & Company Limited |
| | René T. Leclerc Incorpore |
| | Bache Halsey Stuart Canada Ltd. |

May 1978

Why have 144 of the world's largest companies moved to Puerto Rico?

(Puerto Rico is the ideal gateway to a 230 million consumer market: the U.S.A.)

Manufacturing in Puerto Rico is manufacturing in the U.S.A.

The Commonwealth of Puerto Rico is an integral part of the United States. Any product manufactured in Puerto Rico carries the stamp "Made in U.S.A." which allows it to enter the U.S. market without paying custom duties or excises.

But it is more profitable.

144 of the companies listed in the Fortune 1000 have moved to Puerto Rico. General Electric, Westinghouse, Du Pont, Ford, IBM, Digital, Babcock & Wilcox, R.C.A., U.S. Steel, are only a few of the many companies that recognize the advantages of manufacturing in Puerto Rico.

Advantages like its people. Puerto Rico's work force is abundant (one million strong, with 51% under 35 years of age), skilled (average of 11.7 years of schooling) and more productive (output of \$4.03 on the dollar vs. \$3.36 for Mainland U.S. workers). Average hourly wage is \$3.09 vs. \$5.73 for Mainland U.S. workers.

Easier.

The Government of Puerto Rico grants newly establishing industries up to 100% tax exemption for periods between 10 and 30 years. It also assists new industries with the construction or leasing of its industrial buildings. And it facilitates repatriation of profits.

And pleasant.

Puerto Rico is a sunny tropical paradise. Cultural activities are abundant and exciting. Interior



communication networks are fast and efficient. And Puerto Rico is only 3 1/2 hours by plane from New York, 2 1/2 from Miami and 1 from Caracas.

Manufacturing in Puerto Rico offers many more advantages. To get to know them all, just mail the attached coupon.

Puerto Rico Industrial Development Administration

Calle Nüñez de Balboa, 25, 38
Madrid-1, Spain. Tel. 275 49 07.
D-6000 FRANKFURT/MAIN
Federal Republic of Germany.
Zürich-Haus-Pavillon.
I want to find out all the advantages of investing in Puerto Rico.

Name _____
Company _____
Address _____

Product I am interested in manufacturing in Puerto Rico _____

It is time you found out all the advantages of investing in Puerto Rico/U.S.A.

The Scottish Heritable Trust Limited

Mr. A. Cochran-Duncan, CA, covered the following points in his statement to shareholders for 1977.

1977 Results: The Group Profit before tax for 1977 increased to £566,957 (£535,135), a record for the Group despite the reduction of £108,520 in income resulting from the sale of the Plant Division. These figures include the Group's share of the profits of the Associated Company, Trans-Continental Carpets Limited and its subsidiary, Kayam Carpets Limited, acquired during the year.

Dividend: A final dividend of 0.699p is recommended making a total for 1977 of 1.349p, the maximum permitted.

Exports: Exports during 1977 amounted to £1,727,296 (£1,471,257).

Share Issue: A scrip issue of one new Ordinary Share for every two held is recommended.

Current Trading: Current trading is buoyant in all divisions with the exception of the Motor Division which is still disappointing. The 1978 Group Profits should show a further increase with the benefit of a substantially increased contribution from Trans-Continental Carpets Limited which will become a subsidiary during the year and also from the acquisition of City Estates Limited, the new property subsidiary. Increased reserves leave the Company well placed for further acquisitions.

Registered Office: 11 George Square, Glasgow G2 1DY.

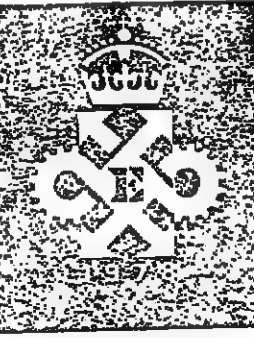
Camrex

Complete another record year by winning the Queen's Award for Export Achievement

"Camrex Limited, our marine subsidiary company, deserve our warmest congratulations on winning the coveted Queen's Award for Export Achievement."

"The Camrex Group as a whole offers a service which spans the world. In order to achieve the Group strategy of supplying goods and services at short notice, we have a network of agents to complement our subsidiaries and associates - the Camrex name is therefore represented on every Continent."

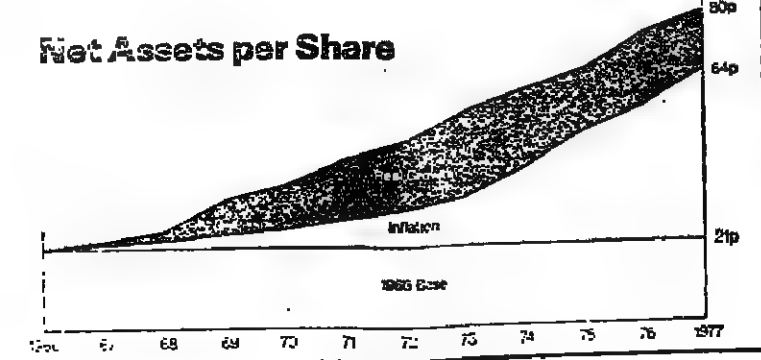
Alex G. Cameron, Group Chairman



"Reward for efforts in the export field came in April, 1978 when Camrex Limited had the Queen's Award for Export Achievement conferred upon them. We are justifiably proud as this is not only a recognition of the achievements of the marine division personnel involved, but also indirectly recognition of the many other Group support services. The award is an added incentive for us to continue to retain and increase our activities in the export markets of the world."

A. Miller, Chairman, Camrex Limited

Financial Highlights	
	1977
	£'000
Turnover	24,209
Profit before taxation	1,960
Profit after taxation	579
Earnings per share	11.51p
Net assets per share	79.96p



Record Profit

In view of the difficult market conditions experienced during the year the increase in pre-tax profit of £0.2m to £1.96m is a most encouraging performance. The profit to sales ratio has improved from 7.6% to 8.1%.

Dividends

Following the rights issue dividends have been increased by 20% to a net 3.95p (gross 6.0p) compared with 3.24p (gross 4.98p) in 1976. Since becoming a public company the group has maintained a level of growth sufficient to ensure that dividends have been increased each year and that the asset-backing of the group's shares has kept ahead of general inflation.

Liquidity

There has been a further improvement in liquidity with net borrowings of £0.3m at 1.1.77 being transformed into net funds of £1.3m at 31.12.77 an inflow of £1.6m. In addition to the £0.5m generated from trading, £1.1m was raised from the rights issue. From this strong financial base the group has the ability to exploit opportunities for future expansion.

Trading

1977 is the first year in the history of the company when the results of the industrial activities have exceeded those in the marine field; this endorses the policy laid down some years ago, to expand the business outside the shipping and shipbuilding industry. However, we have continued to increase our production capacity for marine coating overseas and we have recently opened a new factory in Brazil and taken an interest in a company in the United States.

Copies of the report and accounts are available from The Secretary, Camrex (Holdings) Limited, Camrex House, Sunderland.



The Future

Addressing the Annual General Meeting, held in Sunderland on the 6th June, The Chairman said: "The continued recession in shipping and the bad weather in the early part of the year have resulted in the Group profit being well below expectations. Half year profits will be less than last year. However, it is anticipated that the results for the full year should be satisfactory".

MANUFACTURERS OF SPECIALISED SURFACE COATINGS, WORLDWIDE ANTI-CORROSION ENGINEERS AND CONTRACTORS.

old

PARIS, June 6.

Their jobs in the company's administrative offices. Massey-Fergusson said it had put off the cutbacks for the first six months of its current November to October financial year, in the hope of a market recovery. In that time, its stock of tractors at Beauvais built up to 2,400. Over the next two years, Massey-Fergusson's French operations will make losses totalling FFr 124m (\$80.5m). Its turnover in the last financial year was FFr 1.6bn.

The problem at Beauvais last year was slightly below normal levels at 28,000 tractors and 16,000 tractor bodies for completion at plants in Detroit and Coventry.

The export market accounts for 56 per cent of Massey-

ZURICH, June 8.

Bank chairman Albin Helmann writes in the Migros Bank annual report that the bank continued to develop well in 1977, apart from the Kuederli loss. Meanwhile, it is reported that Migros operating earnings of the Swiss transport and forwarding agents concern Panalpina World transport AG rose by 3 per cent to Sfr 273m last year, an increase which would have reached 15 per cent had exchange rates remained

AMSTERDAM, June 6.

AMSTERDAM, June 8—Integrated into Elsevier's own research, all international talks are continuing with potential purchasers of the stores in Tilburg and Zwolle. Elsevier and W. H. Simons last month announced that they would merge their five-year-old co-operation in Sims, which sells books, records and other leisure articles. Sims has made losses since its formation in 1973.

V and D operates 58 department stores in Holland as well as 638 other stores, selling mainly clothes and food. The majority stake in two U.S. stores, it has a net profits of Fl. 32m (\$27.7m) on sales of Fl. 53m (\$1.98bn) in the year ended January 31, 1979.

Declaration of Dividends Mining Companies

NAME OF DIVIDEND	Dividend declared		Total for financial year cents	Notes
	Number	cents per share		
1. Final dividend - year ending June 1978				
Kaiser Transvaal Consolidated Silver Limited	66	25	30	
Martinsbrouwerij Gold Mines Company Limited	48	175	250	1
Vanston-Gold Mines Company Limited	23	25.5	4.2	2
Interim dividend - year ending 31 December 1978				
Consolidated Merchants Limited				3

2. No dividend taken due to a proposed transfer of 27,946 to general reserve to fund government loan repay and the utilisation of the R11,044 amount loan received to fund capital expenditure.

3. The assigned profit for the year is R3,440,000 (1977 - actual R2,244,000).

4. The assigned profit for dividends is R3,498,960 (1977 - R2,864,000).

5. No interim dividend has been declared as the Company's results for the financial year were adversely affected by substantially reduced sales of summer concentrates, aggravated by delayed shipments due to the temporary closure of the Antwerp Products steel plant.

By order of the Board
ANGLO-TRANSVAAL CONSOLIDATED
INVESTMENT COMPANY, LIMITED
Secretaries
per: E. G. D. GORDON

Registered Office
Anglovaal House
156 Main Street
Johannesburg
London Secretaries
Anglo-Transvaal Trustees Limited
295 Regent Street
London W1R 8ST

6 June 1978

Negotiable Floating Rate U.S. Dollar
Certificates of Deposit
Series D Maturity date
9 December 1980



By Mary Campbell

It seems that it might have formed this view from the fact that Dr. Poehl of the Bundesbank is also on the board of DG Bank. But, DG Bank points out, Dr. Poehl is on the non-executive board, which, of course, would not expect to have been consulted about the prospective issue—rather than on the executive board.

Further, it says, Dr. Poehl is not the person in the Bundesbank with responsibility for such a subject.

DG Bank says that while the Bundesbank does not have the legal right to forbid the issue of CDs by German banks abroad, it would not have considered making the issue against the Bundesbank's wishes.

BY OUR FINANCIAL STAFF

Baloise Holding increases dividend

BY OUR OWN CORRESPONDENT

This announcement is neither an offer

VIENNA, June 6.

BY PAUL LENDYAI

The company has recently been giving an insight into its overseas ambitions. These include joint lobby ventures in Nigeria, Poland and Greece as well as the production of a cross-country vehicle together with Mercedes-Benz, Germany's Daimler-Benz. At the moment, the company is apparently in talks with Lancia of Italy about possible assembly project in Austria.

This year the Nigerian plant will turn out 1,800 lorries under Steyr licence, while deliveries

AFTER A RECORD performance in 1977, Austrian Airlines (AUA) experienced a further 8 per cent increase in passengers in the first quarter of this year to 333,000 and one of 23 per cent in turnover of its charter operations.

The company, which began operations only 20 years ago, said in its annual report that passenger traffic in 1977 was up by 7 per cent to 1.4 million, while load factor rose by 1.4 per cent to 50.5 per cent, while

net profit was up by Sch 9m to Sch 34.7m (Sch 33.3m), including a carry-over of Sch 33.3m, earnings reach Sch 68.6m.

AUA is proposing an unchanged dividend of 1 per cent and a bonus of 4 per cent (same). The balance sheet total was up by Sch 141m to Sch 2,888m. Operating revenues from scheduled flights were up 10.7 per cent to Sch 1,770m, while income from charter operations rose by 15 per cent, and from freight by 12.6 per cent.

During the last five years, since emerging from a period of heavy losses, the company has achieved a foreign exchange surplus of Sch 1.5bn. The airline plans to invest some Sch 1bn between 1974 and 1979.

The enlargement of AUA's fleet has been followed by more frequent flights to Athens and Istanbul, Cairo, Salonika and Sofia. With its new office in Cairo, AUA now operates 34 offices in 28 countries.

BY OUR OWN CORRESPONDENT

VIENNA, June 6.

BY FRANCIS GHILÈS

SIR closures to go ahead

MILAN, June 6.

through a group of state health officials.

By William Dullforce

STOCKHOLM, June 6.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

Wholly-owned subsidiaries of

have sold nine regional shopping centers to

Brookdale Shopping Center, Brooklyn Center, Minnesota
Eastland Shopping Center, Harper Woods, Michigan
Genesee Valley Shopping Center, Flint, Michigan
Northland Shopping Center, Southfield, Michigan
Ridgedale Shopping Center, Minnetonka, Minnesota
Rosedale Shopping Center, Roseville, Minnesota
Southdale Shopping Center, Edina, Minnesota
Southland Shopping Center, Taylor, Michigan
Westland Shopping Center, Westland, Michigan

Goldman Sachs Realty Corp. acted as advisor to Dayton Hudson Corporation.

New York Boston Chicago Dallas
Detroit Houston Los Angeles Memphis
Philadelphia St. Louis San Francisco
International subsidiaries:
London Tokyo Zurich

May 24, 1978

Negotiable Floating Rate U.S. Dollar
Certificates of Deposit
Series C — Maturity date
9 December 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 7 June 1978 to 7 December 1978 the Certificates will carry an Interest Rate of 8 $\frac{1}{16}$ % per annum.

Agent Bank
The Chase Manhattan Bank, N.A.,
London

Goldman Sachs

Multinationals and the New Order

MULTINATIONAL companies around the world have been under constant pressure for years now, ever since changing economic and political conditions—especially in Third World countries since the 1960s—have prompted the call for a New International Economic Order.

Critics, investigated and progressively constrained, they have emerged with a persecution complex as the whipping boys of governments. Understandably they have become defensive. So it is easy to understand their hostility towards the latest body to take an interest in their affairs, the United Nations. The UN Commission on Transnational Corporations, an inter-governmental subsidiary of the UN Economic and Social Council, recently met in Vienna. If the volume of paperwork to enforce is anything to go by, some progress has been made towards creating a new international regulatory framework.

The Commission does not have far to go before recommending a Code of Conduct as well as action against corrupt practices.

It has agreed to the establishment of an inter-governmental body to continue the work of a group of experts on formulating international standards of reporting and accounting. These include minimum requirements for financial and "social" disclosure in annual reports which go beyond current practice even of the U.S.

The Commission is also preparing itself to establish a comprehensive information system on multinationals (to include a database) whose interests will be tailored to the needs of host countries. All these precautions will, in the fulness of time, have a direct effect on the activities of multinationals. If agree-

ment is reached, member governments of the UN will be asked to implement the recommendations, possibly through national legislation. While the multinationals might feel besieged, this has apparently not affected their growth in recent years. According to the latest UN study on the subject, direct investment by multinationals in foreign countries increased by 80 per cent to \$257bn between 1971 and 1976.

Nearly 75 per cent of this capital investment is concentrated in developed countries and that proportion has been growing in recent years. Even the remaining one quarter in developing nations is increasing in the more industrialised countries which, the report states, underlines the limited role which multinationals have played so far in helping the growth of developing countries.

Benefits

Against this background, the UN is trying to draw up an acceptable set of rules for all the parties concerned. Through the Economic and Social Council, the UN set up the Commission on Transnational Corporations in 1973. A 45-member body, it was established to promote understanding of the international impact of multinationals and to secure effective international arrangements aimed at increasing the benefits to multinationals and helping countries to develop.

Perhaps the most controversial—and important—aspect of the Commission's work so far has been the progress made towards drawing up an international set of standards for reporting and accounting. It is this—and the Commission's interest in bringing in minimum disclosure rules for both financial and "social"

aspects of reporting and accounting—that has incited the wrath of multinationals.

They generally described most of the proposals as unnecessary and discriminatory. They are fighting back through the International Chamber of Commerce (ICC) and other lobbying bodies. But the Vienna conference endorsed the work done so far, and then took the process one step further. It recommended that a new body, an ad hoc inter-governmental group, should continue the work in hand. Some delegates have privately suggested that some sort of international guidelines could be ready for implementation by 1980.

This recommendation was not received without misgivings. Some delegations, particularly the U.S., doubted whether a new high level subsidiary body was necessary bearing in mind the great practical difficulties and limited progress achieved so far.

The ICC, in its reply, believed it would be unwise to convene an inter-governmental working group of experts. It would have preferred to have seen a more evolutionary approach.

It believed that the UN should set rules for corporate disclosure only after the development of basic accounting standards. The ICC recommended that established non-governmental professional bodies, such as the International Accounting Standards Committee, should be urged to continue and accelerate their work on the harmonisation of accounting standards.

The ICC's recommendation is, meanwhile, a reminder of the number of other bodies now homing in on auditing, reporting and accounting, including the European Economic Community, the OECD and several national

governments. They are all making life more difficult for multinationals, but the multiplicity and confusion of their efforts does not seem likely to deter the UN.

Mr. N. T. Wang, head of the information analysis division of the UN Centre on Transnational Corporations, said that only politicians had the power to make changes of the magnitude suggested. Clearly, then, the UN was the only forum suitable for dealing with multinationals. The new information system to gather data about multinationals is just as contentious an issue for multinationals as that of reporting and accounting.

As part of its task, this system will focus on the collection and analysis of policies, laws and regulations pertaining to multinationals. It will analyse the role of multinationals in specific industries. It will also catalogue general and detailed information on a wide range of subjects as well as contracts and agreements with host countries.

Again, multinationals have cried "rape," fearing, among other things, that they will be forced to release confidential information and once handed over, the information will be distorted.

The ICC says that the only valid sources should be the multinationals' own published material and information issued by governments or inter-governmental bodies.

While welcoming the commission's view that it would be improper to include information which the source wishes to keep confidential, the ICC considered it essential that multinationals have clear access to the data collected on them. Also, multinationals should be given the opportunity to comment on the accuracy or reliability of information before it is released.

But the Communist-dominated World Federation of Trade Unions argued in a conference paper that the system should be treated as a public service, in principle accessible without any restriction, to the broadest possible range of clients, including individuals, organisations and institutions.

However, the Commission did not commit itself on the question of whether multinationals will be allowed to verify the data collected on them. It recognised the usefulness of wide dissemination and recommended that the information should also be made available to non-governmental groups such as trade unions and universities.

Political

The Commission then dwelled on its efforts to formulate a Code of Conduct for the activities of multinationals. Among the more controversial aspects are probable declarations on non-interference in internal political affairs of host countries, nationalisation and compensation.

The Commission decided to speed up its work in these fields. The inter-governmental working group looking into the problem said it should be able to finalise the discussion of tentative formulations at its next meeting. It is now expected that a draft code could be ready by the spring of 1979.

Also, the conference heard from its inter-governmental group looking into the problem of corrupt practices, particularly illicit payments in international commercial transactions. A draft convention should be finalised later this month.

Certainly all these issues, particularly the reporting and

accounting developments and the establishment of a comprehensive information system, are eventually going to have far-reaching effects on companies. The UN Commission on Transnational Corporations has taken the bit between its teeth, and it is determined to carry out its mandate—even if it hurts.

Multinationals would do well to realise that the UN—ineffective as it might appear at times in the political arena—has the power to influence their lives. So far, apart from the contentious Southern African issue, agreement has been reached by consensus on every issue—and it seems likely that this pattern will continue.

However, it would not be unfair to suggest that if multinationals are being asked to come clean about their activities, the UN, for its part, should be equally frank. If its proposals are going to feel very exposed and vulnerable.

It will undoubtedly make matters worse if no way is found to overcome their concern about verification of facts fed into the UN's database, which could be subject to adjustment in order to make them comparable. In the words of the ICC, "leaving it to the sole judgment of the Centre (on Transnational Corporations) whether to verify information imposes an element of arbitrary discretion and thus creates a legal uncertainty."

UN officials are known to be against giving multinationals the right to dispute the validity or accuracy of information once it has passed to them, arguing that it would be administratively impractical.

The Vienna conference did not commit itself on the question of verification. It might have been politic if it had.

Depuis six mois
EN FRANCAIS

World Commodity Report

(Matières Premières Informations)

Une réalisation du Financial Times

Véritable document de synthèse et de prévisions sur les matières premières.

World Commodity Report est divisé en trois parties distinctes:

- 1) une "généralité", comportant notamment un article de fond sur une matière première en vedette;
- 2) une sur les matières premières agricoles (sucre, café, cacao, blé, soja, etc.);
- 3) une sur les matières premières minérales y compris les métaux précieux (or, argent, cuivre, plomb, étain, zinc, aluminium etc.).

Dans ce bulletin hebdomadaire du Financial Times sont expliquées toutes les fluctuations de cours, données toutes les informations y compris celles concernant les négociations d'accords internationaux susceptibles d'avoir une influence sur la production, les stocks et le comportement des producteurs, intermédiaires et consommateurs.

World Commodity Report est l'outil de travail indispensable pour ceux qui produisent, achètent et utilisent les matières premières.

La version française éditée à Paris paraît en même temps que l'édition anglaise grâce à un système rapide de transmissions et d'impression.

Vendu uniquement sur abonnement:

Prix de l'abonnement: Version intégrale: FF 2.500.

Option métaux ou agricoles: FF 1.700.

Pour les destinations hors d'Europe desservies par avion, prévoir un supplément pour routage aérien.

Pour tous renseignements, écrire à:

Graph-Lit Publications

28 rue Louis-Le-Grand
75002 PARIS

Financial Times Limited
Reg. Office: Bracken House,
10 Cannon Street,
London EC4A 3DF.
Registered in England
No. 227590

Bowring and space

Our involvement includes insurance cover for some 40 communications satellites valued at over \$1,000,000,000

Pioneering the insurance of space projects is an outstanding example of Bowring leadership.

We began as long ago as 1965 with the Early Bird programme. We have since played a part in developing, planning or placing the cover for every insured satellite—pre-launch, launching and orbiting risks.

C.T. Bowring Space Projects Limited, our subsidiary, is organised to follow up our spectacular growth in this field by arranging insurance for present and future programmes such as the new Space Shuttle and a wide range of commercial, governmental, scientific and research projects.

Once again we have been able to extend the boundaries of international broking.


The reason? We have the skill, the contacts and the unique world-wide resources required to handle complex insurance running into millions of dollars.

Moreover, we are members of the Bowring Group whose international services include not only insurance and reinsurance broking but also insurance underwriting, credit finance and leasing, merchant banking, shipping, trading and engineering.

Bowring Insurance brokers to the world

C.T. Bowring (Insurance) Holdings Limited,
The Bowring Building, Tower Place, London EC3P 3BE
Tel. 01-283 3100 Telex: 882191

A member of the Bowring Group



The
NEW
centre for tropical and
lightweight clothes

Suits suitable for any occasion: business suits that make journeys a pleasure, leisure suits that take the travail out of travel. Ready to wear from about £69.

AIREY & WHEELER
TOWN & SPECIALISTS IN TROPICAL WEAR

129 Regent Street, London W.1.
Tel: 734 1008.
Also: 44 Piccadilly, London, W.1.
8 Sackville St., London W.1.

PRIMROSE INDUSTRIAL HOLDINGS LIMITED

Announcement to Shareholders

With reference to the announcement on 5 May 1978 that agreement had been reached in principle for the purchase of Aloe Minerals (Proprietary) Limited, subject to certain conditions precedent, the Board of Primrose announces that within the time allowed by the vendors it has not been able to satisfy itself in full regarding these conditions precedent. It has consequently decided not to proceed with this acquisition.

On behalf of the Board
A. R. KEMP
Executive Chairman
D. J. GEVISSER
Managing Director

5th June 1978

مكتبة الأصيل

هكذا من الأصل

This announcement appears as a matter of record only.

FINANCIAL AND COMPANY NEWS

SOUTH AFRICAN COMPANIES

Further merger moves at Bankorp

BY RICHARD ROLFE

BANKORP, THE bank holding company of the Sanlam Insurance group, has taken further steps to rationalise its banking interests. These were swelled a year ago by the reverse takeover of Trust Bank, which has been progressively digested in the meantime. Having recently acquired the small Santambank another, of Sanlam's "trade investments", Bankorp is to merge Santambank with another wholly-owned subsidiary, Credit Bank. The combined group will have assets totalling R800m, a staff of 1,600, and 80 branches,

and will be the sixth largest bank in South Africa. Steps leading up to this latest development began two years ago when Credit Bank was created out of the merger of two smaller banks, Sasbank and Federal Bank, while last year, Bank of Johannesburg was also merged with Credit Bank. But Credit Bank management said yesterday, "experienced problems with the application of its name, which never really caught on. Thus with Bankorp's acquisition of Santambank, a well-known name, the opportunity was taken to drop Credit Bank

out of the marketing picture and to continue the cutback of the small banking groups which sprang up in the 1950s and 1960s. The prospect of a merger between Credit Bank, Santambank and Trust Bank has been widely aired, but thinking in Sanlam and Bankorp appears to favour running the enlarged Santambank group in competition with Trust Bank despite the fact that both are in the same stable. Bankorp's present plans involve putting both groups on, for example, shared computer facilities, but the possibility of subse-

quent more complete rationalisation cannot be excluded.

JOHANNESBURG, June 6.

Primrose Industrial, the South African brickmaker in which Tongaat, the sugar group, recently acquired a controlling interest, has abandoned its attempt, initiated during the battle for control, to acquire the anthracite producer, Aloe Minerals as a diversification move. A statement recording termination of the negotiations says that although agreement had been reached in principle, Primrose had not been able, within the time stipulated by the vendors, Rembrandt Group, to satisfy itself as to certain conditions.

Primrose's managing director, Mr. David Gevisser, indicated today that his group had insufficient time to carry out the technical, financial and marketing problems involved. The deal, expected to cost R2.75m (\$3.16m), would have added 6 cents a share to Primrose's earnings. Rembrandt acquired Aloe as a move into mining five years ago, before it took its big stake in Federale Mynbou, which controls the Afrikaaner mining group, General Mining and also Union Corporation. Having put the "for sale" sign up on Aloe, market sources feel Rembrandt will now look for another buyer.

Caution at Utico over recovery

By Our Financial Staff

UTICO, the tobacco group in which BAT is the major shareholder, raised pre-tax income for the half-year to March 31 by 63 per cent to R2.95m (\$3.4m), from R1.81m in the same period of the previous year. Turnover, excluding excise duty rose by 2 per cent to R35.7 (\$4m) from R35.0m.

This follows a fall of some 28 per cent to R2.5m in pre-tax income for the year to September 30. The recovery in earnings, Utico says, is the result of its withdrawal from the confectionery business. The company says that the disposal of the confectionery business has been almost completed, and it expects that the final loss on the transaction will not vary materially from the R2.28m provided for in the 1977 accounts.

The Board forecasts, however, that because trading conditions continue to be difficult, profits for the second half will be lower. It considers that the return on funds remains too low—barely sufficient to finance working capital requirements and to provide for growth. For this reason, there is again no interim dividend, and the Board warns that a final dividend (passed last year) should not be expected.

US\$15,000,000

Kashan Industries Corporation

Incorporated in Iran

Guaranteed by

Industrial Credit Bank

Arranged by

First Boston (Europe)

Limited

Bayerische Vereinsbank

Provided by

Bayerische Vereinsbank International S.A.

Provincial Bank of Canada

Credit du Nord

Nippon European Bank S.A.

Mercantile Trust Company N.A.

Banque Bruxelles Lambert S.A.

Credit Suisse

Swiss Bank Corporation

Agent Bank

Credit Suisse

Higher income for Metal Box

BY OUR OWN CORRESPONDENT

JOHANNESBURG, June 6.

METAL BOX South Africa, 58.5 per cent owned by Metal Box UK, has reported an improvement in net operating income for the year to March 31. It indicates, however, that this increase has mainly been contributed by the new subsidiary, Metal Rollings, which has been included for nine months. Turnover rose from R156m to R188m (\$193m), and net operating income from R109m to R133m (\$153m). After allowing for other items such as reduced net interest paid, higher preference dividends following last year's issue of convertible preference shares, and a slightly higher tax rate, attributable income rose from R5.2m to R6.5m. Earnings per share are 0.4 cents up to 25.9 cents but this figure is based on the weighted average number of ordinary shares in issue, up from 20.3m to 24.9m. The dividend has been maintained at 23 cents, putting the shares at 260 cents on a yield of 8.8 per cent, at which price they are also in line with the conversion terms on last year's convertible preference share issue.

Sales at Metal Box itself showed marginal growth in value terms, but fell in volume terms. Reduced fishing quotas in south-west Africa depressed sales by the group's Walvis Bay subsidiary, which ran at a loss of R0.7m over the year. This was less than the R1m loss the group earlier anticipated and in addition can now be offset against South African profits. The change here is due to the constitutional quirk that Walvis Bay has been reabsorbed into South Africa for administrative purposes. In the past, Walvis Bay operations of South African companies were classified as foreign, and in terms of South African law, losses in foreign companies cannot be offset against domestic profits. Fishing problems aside, Metal Box should respond to any improvement in the local economy, with its strong consumer orientation, while there are plans to diversify the Walvis Bay plant away from fishing cans. Dividend policy remains to pay out 55 per cent of earnings, which have been stated on an LIFO basis since April 1976, so that

the dividend is not as imperilled as it looks at first sight by the low level of earnings cover. Meanwhile, Wong Sulong writes from Kuala Lumpur that Metal Box Malaysia has reported a 25 per cent rise in pre-tax profits to 4.4m ringgits (U.S.\$ 2.7m) for the year to March, and is paying a final dividend of 13 per cent, bringing the total for the year to 18 per cent, against 15 per cent the year before. Sales rose by 7.5 per cent to 52m ringgits (U.S.\$ 23m), and the company said that gains from production and cost economies were reflected in the profit. Pre-tax profit for the first half was 3.55m ringgits. The British parent company holds 52.4 per cent of the shares of Metal Box Malaysia, while 10 per cent are held by Singapore residents and the rest by Malaysians.

Uncertain outlook at United Plantations

BY WONG SULONG

KUALA LUMPUR, June 6.

AFTER ACHIEVING a record profit of 26.8m ringgits (U.S.\$11.3m) before tax last year, United Plantations, the Danish palm oil group in Malaysia, sees a period of uncertainty ahead in view of increasing competition for palm oil from other sources. Unlike Kuala Lumpur-Keppong, which sees a "good chance" of repeating its record performance of last year, United Plantations chairman, Mr. W. O. Grut, says in his annual report that the present high price for palm oil was unexpected, and contrary to long term forecasts. The present, tight market for palm oil in the Malaysian market appeared to be temporary because of the decline in output

due to the drought. Indications are that there will be a larger than expected surplus of soyabean in the second half of the year, with greater planting by the U.S., Brazil and Argentina. Oil from sunflower, groundnut and cotton seeds are also expected to increase. Mr. Grut disclosed that discussions are underway for Unitata, the giant palm oil refinery in South Perak, to go public. Unitata is a 50-50 joint venture between United Plantations and Thai Oil Mills of Bombay. Preliminary results showed Unitata making a profit of 11m ringgits last year on a turnover of 16m ringgits. This does not include 4.2m ringgits in unfilled contracts, some of which are expected to be recorded in due course.

United Plantations is a 50-50 joint venture between United Plantations and Thai Oil Mills of Bombay. Preliminary results showed Unitata making a profit of 11m ringgits last year on a turnover of 16m ringgits. This does not include 4.2m ringgits in unfilled contracts, some of which are expected to be recorded in due course.

Sime Darby development

BY OUR OWN CORRESPONDENT KUALA LUMPUR, June 6.

SIME DARBY Holdings, which recently returned ownership of the Orchard Towers complex in Singapore in a deal with Golden Bay Realty, has announced that it will build a seven-storey factory on the island republic for 17m ringgits (U.S.\$7m).

Work on the project, which will provide 238,000 sq ft of industrial and showroom space, just outside the central business district, will start next month, and the building is expected to be ready for occupation within 21 months. Units of varying size are to be offered for sale. The two-acre site was formerly occupied by Singapore Steam Laundry, a Sime subsidiary. Sime Darby also announces

that through a U.S. subsidiary, it has agreed conditionally to acquire the business and certain assets of J.S. Cornell Corporation, a privately-held U.S. rubber trader based in New Jersey. The net cost will be U.S.\$393,000, plus an additional amount to reflect inventory acquired since March 1. In addition, Sime has agreed to assume certain liabilities. Cornell has a turnover of U.S.\$25m. It will, it is said, complement the group's marketing operations in Kuala Lumpur and London and increase access to the world's largest rubber-consuming market. It will also provide a base on which to expand Sime Darby's U.S. trading in other commodities.

Jardine Matheson deal

BY ANTHONY ROWLEY

HONG KONG, June 6.

Jardine Matheson has made a further payment of U.S.\$35m to buying the equity holding in its Saudi Arabian associate, Trans-Port and Trading Company Inc., up from 25 to 40 per cent. The Transport and Trading group is involved in activities such as car sales, other consumer-product marketing, and transportation. TPT contributed 8 per cent of Jardine's earnings in 1977. This latest payment is in line with the original agreement whereby Jardine would increase its stake in TPT as certain profit levels were achieved. Meanwhile, Jardine Matheson and Co. (Straits Settlements) has announced that its after-tax profit for 1977 has been completed in respect of some \$538.18m of 84 per cent guaranteed unsecured loan stock of Jardine Matheson Investments (South East Asia), a wholly-owned subsidiary. As previously stated, it is shortly to be floated by a flotation intended that the loan stock will

be allotted to minority shareholders of JM (SEA) in consideration for the cancellation of the ordinary shares of JM (SEA), which they hold on the basis of \$2.90 nominal of the loan stock for each cancelled ordinary share.

BANK ADANIM—One of Israel's smaller mortgage banks—reports that its after-tax profit for 1977 rose by 54 per cent to 15.5m (U.S.\$320,000), while its balance sheet total grew by 42 per cent to 154.5m. Earnings per share came to 100 per cent. (65 per cent in 1976). The bank intends to raise shortly 154.5m by a flotation of shares and options.

NatWest Registrars Department

National Westminster Bank Limited has been appointed Registrar of

WACE GROUP LIMITED

All documents for registration and correspondence should in future be sent to:

National Westminster Bank Limited
Registrar's Department
PO Box No 82
National Westminster Court
37 Broad Street
Bristol BS99 7NH.

Telephone Bristol (STD Code 0272)
Register enquiries 290711
Other matters 297144

THINKING ABOUT AN AMERICAN
SALES OFFICE IN PLANT?

MARYLAND WANTS YOU!

Write today for this fact-filled PLANT AND OFFICE LOCATION DATA BOOK.

The State of Maryland, "Home" of the world's largest shipyard and Baltimore-Washington International Airport. Located within one day's rail delivery from Baltimore are 34% of all U.S. manufacturers, and 34% of the nation's consumer market. Three major railroad lines, 350 highway common carriers, and Maryland's excellent highway network provide quick access to markets. Maryland has overnight truck access to 31% of the U.S. population, and 34% of the nation's manufacturers. Maryland can arrange up to 100% financing of land, buildings, machinery and equipment at low interest rates for long terms. Write or phone today for our brochure and for our assistance. George Van Buskirk, European Director, Maryland Department of Economic and Community Development, Shell Building, 60 Rue Ravenstein, Boite 10, 1000 Brussels, Belgium. Phone: (02) 512.73.47.

Maryland



All these securities having been sold, this advertisement appears as a matter of record only.

US \$75,000,000

Occidental International Finance N.V.

8 7/8% Guaranteed Notes due 1985

Unconditionally Guaranteed as to Payment of Principal and Interest by

Occidental Petroleum Corporation

Dean Witter Reynolds International, Inc.

Kidder, Peabody International

Blyth Eastman Dillon & Co.

Algemene Bank Nederland N.V.

Banque Arabe et Internationale d'Investissement (B.A.I.)

Banque Bruxelles Lambert S.A.

Banque de Paris et des Pays-Bas

Kreditbank S.A. Luxembourg

Swiss Bank Corporation (Overseas)

Al Saudi Banque

The Arab and Morgan Grenfell Finance Company

Banca Nazionale del Lavoro

Banca di Venezia S.A.

Bank Gutzwiller, Kurz, Buegenor (Overseas)

Banque Francaise du Commerce Extérieur

Banque Internationale de Luxembourg S.A.

Banque de Paris et des Pays-Bas (Suisse) S.A.

Banque de la Société Financière Européenne

Barclays, Kol & Co. N.V.

Joh. Berenberg, Gossler & Co.

Cazenove & Co.

Crédit Industriel d'Alsace et de Lorraine

Richard Daus & Co. Bankiers

Dillon, Read Overseas Corporation

European Arab Bank

Genossenschaftliche Zentralbank AG

Goldman Sachs International Corp.

Hessische Landesbank

Jardine Fleming & Company

Kreditbank (Suisse) S.A.

Kawit Foreign Trading Contracting & Investment Co. (S.A.K.)

Kawit Investment Company (S.A.K.)

Leah Rhodes, Hornblower International

Samuel Montagu & Co.

The National Bank of Kuwait S.A.K.

The Nikko Securities Co. (Europe) Ltd.

Orion Bank

Piermont, Halding & Pearson N.V.

Salomon Brothers International

Saudi Arabian Investment Company Inc.

Schweizerische Hypotheken- und Handelsbank

Société Bancaire Barclays (Suisse) S.A.

Société Privée de Gestion Financière

Svenska Handelsbanken

Verband Schweizerischer Kantonalbanken

S. G. Warburg & Co. Ltd.

June 8, 1978

Alahli Bank of Kuwait (K.S.C.)

Banque Populaire Suisse S.A. Luxembourg

Banque de l'Union Européenne

Barclays, Kol & Co. N.V.

Baring Brothers & Co.

Bayerische Hypotheken- und Wechsel-Bank

Bayerische Landesbank

Bayerische Vereinsbank

Bergon Bank S.A.K.

Caisse des Dépôts et Consignations

Compagnie Monégasque de Banque

County Bank

Crédit du Nord

Crédito Italiano

Dadwa Europe N.V.

Deutsche Girozentrale

Deutsche Kommunalbank

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

Eurobank S.p.A.

30th JUNE 1978 REDEMPTION PHILIPS INTERNATIONAL FINANCE S.A. U.S. \$30,000,000 6½% Loan 1979

REDEMPTION OF BONDS

Philips International Finance S.A. announces that for the redemption period ending on 30th June 1978 it has purchased and cancelled bonds in the amount of U.S. \$30,000,000 nominal capital and tendered them to the Trustee.

The nominal amount of bonds to be drawn for redemption at par on 30th June 1978 to satisfy the company's current redemption obligation is accordingly U.S. \$30,000,000 and the nominal amount of this loan remaining outstanding after 30th June 1978 will be U.S. \$5,500,000.

DRAWING OF BONDS

Notice is accordingly hereby given that a drawing of bonds of the above loan took place on 6th May 1978 attended by Mr. Keith Francis Cook, Esq. of the firm of John Venn & Sons, Notary Public, when 1,000 bonds for a total of U.S. \$1,000,000 nominal capital were drawn for redemption at par on 30th June 1978.

The following are the numbers of the bonds drawn:

1	13	21	25	28	33	34	37	38	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000

APPOINTMENTS

Barclays chairman joins Royal Insurance Board

Mr. A. F. Tuke, chairman of Barclays Bank, has been appointed a director of ROYAL INSURANCE COMPANY.

Mr. Colin Reith has been appointed a non-executive director of WINSTON ESTATES.

Mr. G. D. Smith, a corporate finance director, MIDLAND BANK, has been appointed a regional director responsible for the Leeds region from September 1. He succeeds Mr. D. M. Corbett who retires at the end of August.

The Secretary for Energy has appointed four extra members to his ADVISORY COUNCIL ON RESEARCH AND DEVELOPMENT. They are: Professor Sir Hugh Ford, Dr. Gordon Fyfe, Professor Sir James Lightfoot and Mr. A. M. Munk. Changes on the Council are Dr. J. Birks succeeding Mr. M. Penzance, who has retired from the Council and Dr. A. R. Wadley, in place of Dr. P. J. Agius, who has also retired from the Council.

Mr. William Walker has been appointed a non-executive director of WHATLINGS. Mr. Walker retired at the end of last month. General manager of the Royal Bank of Scotland.

Mr. George Savage, secretary of the Tyndale Health Board, Dundee, has been elected president of the INSTITUTE OF HEALTH SERVICE ADMINISTRATION. He succeeds Mr. J. Traitors, area administrator of the Warwickshire Area Health Authority.

From July 3, Norprint will become three separate companies: Norprint NOR Systems and Darley Business Forms. These will be in the print and packaging division of the NORCOR GROUP. Mr. Tony Warren, chief executive of the print and packaging division, will be chairman of the three concerns. Mr. Peter Jordan becomes managing director of Norprint, Mr. Maurice Wright, managing director of Darley Business Forms.

Mr. F.M. Osborn is to retire as chief executive of NORTHERN ROCK BUILDING SOCIETY at the end of this year. He will continue as deputy chairman and retain the title of Chairman of the Building Societies Association with a special interest in EEC developments. At the same time, Mr. A. Role, secretary and management director, will also retire. From the beginning of next month Mr. D. A. Glicker will be general manager and secretary. Assistant general managers will be Mr. Chapman (London), Mr. J. English (finance), Mr. P. C.

Mr. A. F. Tuke, chairman of Barclays Bank, has been appointed a director of ROYAL INSURANCE COMPANY.

Mr. Colin Reith has been appointed a non-executive director of WINSTON ESTATES.

Mr. G. D. Smith, a corporate finance director, MIDLAND BANK, has been appointed a regional director responsible for the Leeds region from September 1. He succeeds Mr. D. M. Corbett who retires at the end of August.

The Secretary for Energy has appointed four extra members to his ADVISORY COUNCIL ON RESEARCH AND DEVELOPMENT. They are: Professor Sir Hugh Ford, Dr. Gordon Fyfe, Professor Sir James Lightfoot and Mr. A. M. Munk. Changes on the Council are Dr. J. Birks succeeding Mr. M. Penzance, who has retired from the Council and Dr. A. R. Wadley, in place of Dr. P. J. Agius, who has also retired from the Council.

Mr. William Walker has been appointed a non-executive director of WHATLINGS. Mr. Walker retired at the end of last month. General manager of the Royal Bank of Scotland.

Mr. George Savage, secretary of the Tyndale Health Board, Dundee, has been elected president of the INSTITUTE OF HEALTH SERVICE ADMINISTRATION. He succeeds Mr. J. Traitors, area administrator of the Warwickshire Area Health Authority.

From July 3, Norprint will become three separate companies: Norprint NOR Systems and Darley Business Forms. These will be in the print and packaging division of the NORCOR GROUP. Mr. Tony Warren, chief executive of the print and packaging division, will be chairman of the three concerns. Mr. Peter Jordan becomes managing director of Norprint, Mr. Maurice Wright, managing director of Darley Business Forms.

Mr. F.M. Osborn is to retire as chief executive of NORTHERN ROCK BUILDING SOCIETY at the end of this year. He will continue as deputy chairman and retain the title of Chairman of the Building Societies Association with a special interest in EEC developments. At the same time, Mr. A. Role, secretary and management director, will also retire. From the beginning of next month Mr. D. A. Glicker will be general manager and secretary. Assistant general managers will be Mr. Chapman (London), Mr. J. English (finance), Mr. P. C.

Mr. A. F. Tuke, chairman of Barclays Bank, has been appointed a director of ROYAL INSURANCE COMPANY.

Mr. Colin Reith has been appointed a non-executive director of WINSTON ESTATES.

Mr. G. D. Smith, a corporate finance director, MIDLAND BANK, has been appointed a regional director responsible for the Leeds region from September 1. He succeeds Mr. D. M. Corbett who retires at the end of August.

The Secretary for Energy has appointed four extra members to his ADVISORY COUNCIL ON RESEARCH AND DEVELOPMENT. They are: Professor Sir Hugh Ford, Dr. Gordon Fyfe, Professor Sir James Lightfoot and Mr. A. M. Munk. Changes on the Council are Dr. J. Birks succeeding Mr. M. Penzance, who has retired from the Council and Dr. A. R. Wadley, in place of Dr. P. J. Agius, who has also retired from the Council.

Mr. William Walker has been appointed a non-executive director of WHATLINGS. Mr. Walker retired at the end of last month. General manager of the Royal Bank of Scotland.

Mr. George Savage, secretary of the Tyndale Health Board, Dundee, has been elected president of the INSTITUTE OF HEALTH SERVICE ADMINISTRATION. He succeeds Mr. J. Traitors, area administrator of the Warwickshire Area Health Authority.

From July 3, Norprint will become three separate companies: Norprint NOR Systems and Darley Business Forms. These will be in the print and packaging division of the NORCOR GROUP. Mr. Tony Warren, chief executive of the print and packaging division, will be chairman of the three concerns. Mr. Peter Jordan becomes managing director of Norprint, Mr. Maurice Wright, managing director of Darley Business Forms.

Mr. F.M. Osborn is to retire as chief executive of NORTHERN ROCK BUILDING SOCIETY at the end of this year. He will continue as deputy chairman and retain the title of Chairman of the Building Societies Association with a special interest in EEC developments. At the same time, Mr. A. Role, secretary and management director, will also retire. From the beginning of next month Mr. D. A. Glicker will be general manager and secretary. Assistant general managers will be Mr. Chapman (London), Mr. J. English (finance), Mr. P. C.

COMPANY NOTICES

STANLEY ELECTRIC CO. LTD.

NOTICE TO HOLDERS OF EUROPEAN RECEIPTS

Further to notice of March 13, 1978 THE CHASE MANHATTAN BANK, N.Y., has been appointed as the agent for the distribution of the 1978/79 interest on the Stanley Electric Co. Ltd. 1977/78 Loan. The interest will be payable on or about 1st October 1978.

THE CHASE MANHATTAN BANK, N.Y., is the agent for the distribution of the 1978/79 interest on the Stanley Electric Co. Ltd. 1977/78 Loan. The interest will be payable on or about 1st October 1978.

UNION DE BANQUES ARABES ET FRANCAISES U.B.A.F.

US\$25,000,000 LOAN 1976/1981

Interest on the loan is payable on or about 1st October 1978.

PUBLIC NOTICES

Proposed acquisition by Lonrho Limited of Scottish and Universal Investments Limited

MERGER SITUATION INVOLVING LONRHO LIMITED AND HOUSE OF FRASER LIMITED

On 12 May Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, referred to the Monopolies and Mergers Commission for investigation and report under the provisions of the Fair Trading Act, 1973 the proposed acquisition by Lonrho Limited of Scottish and Universal Investments Limited, and the consequent merger situation involving Lonrho Limited and House of Fraser Limited.

Any person or organisation wishing to give views or information should write as soon as possible to:

The Secretary, Monopolies and Mergers Commission, New Court, 48 Carey Street, London WC2A 3JT

Wm. J. K. E. Barber, Notary Public

Wm. J. K. E. Barber, Notary Public

Wm. J. K. E. Barber, Notary Public

Wm. J. K. E. Barber, Notary Public

Wm. J. K. E. Barber, Notary Public

Wm. J. K. E. Barber, Notary Public

Wm. J. K. E. Barber, Notary Public

Wm. J. K. E. Barber, Notary Public

LEGAL NOTICES

REPUBLIC OF ECUADOR OUTSTANDING EXTERNAL DEBT

NOTICE TO CREDITORS

NOTICE TO CREDITORS: The Republic of Ecuador, through the Ministry of Finance, has been appointed as the agent for the distribution of the 1

FARMING AND RAW MATERIALS

Commission stalls on pigmeat ban

By Margaret van Hatten

BRUSSELS, June 6. THE EUROPEAN Commission has responded sympathetically to French requests for increased support for pigmeat producers, but has not said whether they will be met.

The French asked specifically for a ban on imports from non-Community countries, a re-introduction of subsidies for pigmeat held off the market in private cold stores, and for export rebates to be raised back to last year's levels.

The Commission has referred a decision on the two latter points to its pigmeat management committee which meets on June 12, and indicated today that it favours the requests.

However, the French request for an import ban which would curb soaring imports from East Germany, is almost certain to be refused. But if these imports are found to be entering the Community below the subsidised price, it is suggested that other measures might be adopted to close the gap.

New rubber price pact talks planned

POH, MALAYSIA, June 6.

RUBBER-CONSUMING countries will continue negotiations with producing countries in November for an agreement on international price stabilisation for rubber, according to Mr. Paul Leong, deputy Primary Industries Minister, reports Reuters.

He said producing countries had drawn up a draft text of the agreement and expected a further preparatory meeting to be held in September in Geneva.

World natural rubber production rose by 30,000 tonnes to 3.5m tonnes in 1977, figures issued by the International Rubber Study Group show. But consumption rose by 225,000 tonnes to 3.7m tonnes leading to a 135,000 tonnes decline in stocks to 1.4m tonnes.

Synthetic rubber production rose by 485,000 tonnes to 5.4m tonnes while consumption increased to 5.5m from 7.9m in 1976. Stocks at the end of December totalled 1.97m tonnes against 1.65m a year earlier.

Improve or perish, beet growers warned

BY HILARY BARNES

EUROPEAN sugar-beet growers were warned here today to sharpen their efficiency or perish at the hands of the manufacturers of substitute sweeteners.

The warning came from Mr. Stan Bichsel of the American Crystal Sugar Company, the biggest beet concern in the U.S.

He said the U.S. beet industry was struggling for survival against a highly efficient, high technology corn-sugar industry, which was becoming the dominant force in the U.S. food industry.

"The hour is later than you think," he warned a congress of European beet growers. "Increase the efficiency of your industry on the farm and in the factory or perish as an industry at the hands of those who are more efficient."

He said that corn syrup could be expected to capture 50 per cent of the U.S. market by 1990.

From 1980 corn sugar would be available on the market as a spray-dried granular product, able to penetrate the market where liquid sweeteners were not acceptable.

No natural boundary or tariff or taxation would suffice to stop the high technology of the corn-sugar industry. If beet growers wanted to ensure survival, they must seize the technological initiative themselves.

Mr. Henri Cayre, the EEC beet growers' leader, urged a hard line against technological corn syrup sweeteners. "Europe, being a larger sugar exporter ought to ban any sugar production from starch. Every kilo of isoglucose or glucose expels quota sugar to the world market."

Isoglucose was last year subjected to an EEC levy, which effectively stopped the expansion of production. Output this year is expected to be about 110,000 tonnes.

The beet growers want the levy increased, and isoglucose

and glucose subjected to the same taxes and production restrictions as beet sugar.

Mr. Cayre was outlining a memorandum which the beet industry will soon submit to the Brussels Commission. He also called for a ban on all imports of sugar into the Common Market from non-member countries.

Addressing representatives of the EEC's 425,000 beet growers, he said the Community should join the International Sugar Agreement only on condition that allowances should be made for the EEC's sugar exporting capacity.

In addition to protecting the beet industry from imported sugar and alternative sweeteners, Mr. Cayre called for a massive campaign against the EEC levy on sugar sales, to promote EEC sugar consumption, which has fallen from 10.3m tonnes in 1973-74 to 9.2m tonnes in 1977-78.

The campaign should include the "medical rehabilitation" of

sugar, against "unfounded" attacks by doctors and dieticians.

When the Community production system is revised in 1980, the growers want a continuation of the national production quota system now in force.

Countries such as France, Germany, Denmark and Holland, want higher quotas. But other countries are not willing to give out quota shares, even when, as in the case of the UK, the full production quotas are not being utilised.

Mr. Cayre suggested a system of annual compensation for unutilised quotas to reconcile differences on this point.

Sugar imported from the Lomé countries was being re-exported with the help of EEC units of account costing 302m units of account over the past year, according to Mr. Cayre.

The beet growers urged that from 1982, when Lomé sugar imports can be reviewed, the EEC should be able to provide new delivery quotas.

But the EEC, they say, should give financial guarantees to assure the export price of sugar traded between the exporting and importing ACP (African, Caribbean, and Pacific) countries.

At present, said Mr. Cayre, the ACP countries overall import about 850,000 tonnes a year, but only 10,000 tonnes come from other ACP countries.

Mr. Cayre said that sugar could become a significant source of chemical and fuel products in the coming decades. Prof. August Vilhoj, of Tate and Lyle, told the meeting.

He said sugar from beet and cane could become preferred to petrochemical extracts for producing specialty chemicals.

This was because sugar was being increasingly broken down by microbes and acceptable to environmentalists.

As oil prices rose there was an increasing probability of alcohol being used to power cars, he added.

Sharp fall in coffee market

By Richard Mooney

COFFEE PRICES fell sharply on the London futures market yesterday as dealers became convinced that the immediate danger of a serious Brazilian frost had passed.

The September position climbed to £1,980 a tonne at one stage but then slumped to £1,767 a tonne, £185.5 down on the previous close.

Market sources said the fall was mainly due to speculative buying of near-month contracts by reports of warmer weather in Brazil's coffee growing regions.

Minimum overnight temperatures in the north of Paraná, Brazil's main coffee growing area, on Monday night were around 10 degrees centigrade.

But the market remains very nervous about the possibility of frost. The recent scare, which boosted prices by over 300, came much earlier than usual and the danger will not be completely passed for another two months.

With the memory of the 1975 frost, which cut Brazil's coffee crop by three-quarters and pushed bean prices up ten-fold, still fresh in dealers' minds, the market will generally remain unchanged.

In Memphis, Tennessee, meanwhile, Mr. Arlie Bowling, U.S.

World cotton crop estimate lowered

WASHINGTON, June 6.

WORLD COTTON production this year is projected at 54.2m bales (478 lb weight), down from 65.2m forecast last month, but still above the 53.3m produced in 1977/78, the International Cotton Advisory Committee (ICAC) said here, reports Reuters.

Output in China is estimated at 10m bales, about 1m below earlier expectations and the 1976/77 harvest.

This reduction is reflected by China's continuing heavy purchases on international cotton markets. Aggregate Chinese imports could exceed 1.5m bales against 1.2m last season.

The near record world cotton output this season is expected to exceed anticipated consumption by about 3.5m bales, thus increasing stocks as at August 1 of 30.2m bales a year earlier.

The Committee said the decrease in world consumption to 60.5m bales from 61.5m in 1977/78 will be concentrated principally in Western Europe and Japan.

The USSR is expected to use about 8.5m bales, 100,000 bales above the 1976/77 level, but consumption in other East European countries will generally remain unchanged.

In Memphis, Tennessee, meanwhile, Mr. Arlie Bowling, U.S.

National Cotton Council economist, said U.S. cotton production could total 11.5m to 12.1m bales in 1978/79.

Exports should be reasonably close to this season's level, and domestic consumption should reach between 6.5m and 7m bales. This could result in a somewhat lower carryover than the 5.3m bales projected for the current season.

With this season's domestic consumption expected to be about 6.6m bales, total usage for the current crop will probably equal 11.9m bales, he added.

The average price of land in England has jumped more than 15 per cent in the first four months of the year, according to figures just published by the Ministry of Agriculture. Land is now almost 42 per cent dearer than a year ago.

And while prices have risen sharply, the amount of land up for sale has diminished equally alarmingly.

During April the average price of land reached £1,163 an acre (£2,873 a hectare) compared with £1,117 an acre (£2,761) in March.

By the end of April last year 94,382 acres had changed hands in England, but sales in the first four months of 1978 were 25 per cent lower at 71,000 acres.

In Wales the average price has been falling so far this year. The average value of land sold in the first quarter was £867 an acre (£1,957 a hectare) compared with £887 (£1,995) in 1977 and £878 (£1,930) in the first three months of 1977.

Cut forecast in international wool supplies

BY OUR COMMODITIES STAFF

WORLD SUPPLIES of wool available will be reduced in the forthcoming 1978-79 season, according to Mr. Alf Maiden, chairman of the Australian Wool Corporation, reports Reuters.

In a speech prepared for the International Wool Textile Organisation's annual conference in Munich, Mr. Maiden claimed that the AWC's increase forecast for the Australian clip would not compensate for lower stocks in Australia and other exporting countries.

This was likely to be a major influence on the market, he said. Although prospects presented a mixed picture, the AWC believed the net effect of supply/demand interaction would be favourable for wool through most of the 1978-79 season.

In the longer term, one of the important factors influencing wool production is the expansion of the market for live sheep and sheep meats in the Middle East.

The Government and the woolgrowers' organisation, the Australian Wool Industry Conference, will shortly discuss

permanent establishment of the "floor" price to provide a continuing base of stability for growers and users alike.

At present, the Government legislates to extend the scheme each season. Floor price levels for 1978-79 will be announced at the end of the season, but the Government has said the market indicator floor will not be less than the present 264 cents a kilo clean.

Meanwhile, the Australian Wool Corporation has agreed to price its foreign stocks in both Australian and U.S. dollars.

Mr. Maiden said this will allow buying houses the flexibility of dual currency operations.

To back up this arrangement the AWC has continued to replenish its European stocks.

Mr. Maiden, however, general manager, marketing, of the AWC, said the Corporation's stockpile at 993,296 farm-equivalent bales on June 1, was below 1m bales for the first time in over 24 years.

The stockpile, 888m bales in October, 1975, and has declined steadily since.

A feature of the season, according to the Wool Board, was the high proportion of merino wool offerings sold at the Board's auctions.

Out of 700,088 bales on offer, 87 per cent were sold. In the case of karakul wool however, an average of only 80 per cent of the bales on offer were sold. In last week's auction, only a third of the karakul available was bought.

Auction prices climbed steadily during most of the season. The average price realised for greasy wools was 167.58 cents per kg, about 2 cents per kg higher than the 1976/77 average.

At 293.91 cents per kg, the average price for clean wools was almost 3 per cent above the previous season's average.

S. African sales up

BY BERNARD SIMON

JOHANNESBURG, June 6.

THE VALUE of the South African wool clip for the 1977-78 marketing season, which ended last week, was the second highest on record.

According to the Wool Board, 680,303 bales weighing 100.1m kilograms were sold during the season, realising R170m.

Some R6m above earnings the previous year.

Despite a lower volume of sales, the decline in the value of the U.S. dollar, to which the South African rand is pegged, has maintained export earnings from raw and processed wools at last year's figure of about R180m.

A feature of the season, according to the Wool Board, was the high proportion of merino wool offerings sold at the Board's auctions.

Out of 700,088 bales on offer, 87 per cent were sold. In the case of karakul wool however, an average of only 80 per cent of the bales on offer were sold. In last week's auction, only a third of the karakul available was bought.

Auction prices climbed steadily during most of the season. The average price realised for greasy wools was 167.58 cents per kg, about 2 cents per kg higher than the 1976/77 average.

At 293.91 cents per kg, the average price for clean wools was almost 3 per cent above the previous season's average.

COMMODITY MARKET REPORTS AND PRICES

Markets, three months' prices, 1978, 1977, 1976, 1975, 1974, 1973, 1972, 1971, 1970, 1969, 1968, 1967, 1966, 1965, 1964, 1963, 1962, 1961, 1960, 1959, 1958, 1957, 1956, 1955, 1954, 1953, 1952, 1951, 1950, 1949, 1948, 1947, 1946, 1945, 1944, 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936, 1935, 1934, 1933, 1932, 1931, 1930, 1929, 1928, 1927, 1926, 1925, 1924, 1923, 1922, 1921, 1920, 1919, 1918, 1917, 1916, 1915, 1914, 1913, 1912, 1911, 1910, 1909, 1908, 1907, 1906, 1905, 1904, 1903, 1902, 1901, 1900, 1899, 1898, 1897, 1896, 1895, 1894, 1893, 1892, 1891, 1890, 1889, 1888, 1887, 1886, 1885, 1884, 1883, 1882, 1881, 1880, 1879, 1878, 1877, 1876, 1875, 1874, 1873, 1872, 1871, 1870, 1869, 1868, 1867, 1866, 1865, 1864, 1863, 1862, 1861, 1860, 1859, 1858, 1857, 1856, 1855, 1854, 1853, 1852, 1851, 1850, 1849, 1848, 1847, 1846, 1845, 1844, 1843, 1842, 1841, 1840, 1839, 1838, 1837, 1836, 1835, 1834, 1833, 1832, 1831, 1830, 1829, 1828, 1827, 1826, 1825, 1824, 1823, 1822, 1821, 1820, 1819, 1818, 1817, 1816, 1815, 1814, 1813, 1812, 1811, 1810, 1809, 1808, 1807, 1806, 1805, 1804, 1803, 1802, 1801, 1800, 1799, 1798, 1797, 1796, 1795, 1794, 1793, 1792, 1791, 1790, 1789, 1788, 1787, 1786, 1785, 1784, 1783, 1782, 1781, 1780, 1779, 1778, 1777, 1776, 1775, 1774, 1773, 1772, 1771, 1770, 1769, 1768, 1767, 1766, 1765, 1764, 1763, 1762, 1761, 1760, 1759, 1758, 1757, 1756, 1755, 1754, 1753, 1752, 1751, 1750, 1749, 1748, 1747, 1746, 1745, 1744, 1743, 1742, 1741, 1740, 1739, 1738, 1737, 1736, 1735, 1734, 1733, 1732, 1731, 1730, 1729, 1728, 1727, 1726, 1725, 1724, 1723, 1722, 1721, 1720, 1719, 1718, 1717, 1716, 1715, 1714, 1713, 1712, 1711, 1710, 1709, 1708, 1707, 1706, 1705, 1704, 1703, 1702, 1701, 1700, 1699, 1698, 1697, 1696, 1695, 1694, 1693, 1692, 1691, 1690, 1689, 1688, 1687, 1686, 1685, 1684, 1683, 1682, 1681, 1680, 1679, 1678, 1677, 1676, 1675, 1674, 1673, 1672, 1671, 1670, 1669, 1668, 1667, 1666, 1665, 1664, 1663, 1662, 1661, 1660, 1659, 1658, 1657, 1656, 1655, 1654, 1653, 1652, 1651, 1650, 1649, 1648, 1647, 1646, 1645, 1644, 1643, 1642, 1641, 1640, 1639, 1638, 1637, 1636, 1635, 1634, 1633, 1632, 1631, 1630, 1629, 1628, 1627, 1626, 1625, 1624, 1623, 1622, 1621, 1620, 1619, 1618, 1617, 1616, 1615, 1614, 1613, 1612, 1611, 1610, 1609, 1608, 1607, 1606, 1605, 1604, 1603, 1602, 1601, 1600, 1599, 1598, 1597, 1596, 1595, 1594, 1593, 1592, 1591, 1590, 1589, 1588, 1587, 1586, 1585, 1584, 1583, 1582, 1581, 1580, 1579, 1578, 1577, 1576, 1575, 1574, 1573, 1572, 1571, 1570, 1569, 1568, 1567, 1566, 1565, 1564, 1563, 1562, 1561, 1560, 1559, 1558, 1557, 1556, 1555, 1554, 1553, 1552, 1551, 1550, 1549, 1548, 1547, 1546, 1545, 1544, 1543, 1542, 1541, 1540, 1539, 1538, 1537, 1536, 1535, 1534, 1533, 1532, 1531, 1530, 1529, 1528, 1527, 1526, 1525, 1524, 1523, 1522, 1521, 1520, 1519, 1518, 1517, 1516, 1515, 1514, 1513, 1512, 1511, 1510, 1509, 1508, 1507, 1506, 1505, 1504, 1503, 1502, 1501, 1500, 1499, 1498, 1497, 1496, 1495, 1494, 1493, 1492, 1491, 1490, 1489, 1488, 1487, 1486, 1485, 1484, 1483, 1482, 1481, 1480, 1479, 1478, 1477, 1476, 1475, 1474, 1473, 1472, 1471, 1470, 1469, 1468, 1467, 1466, 1465, 1464, 1463, 1462, 1461, 1460, 1459, 1458, 1457, 1456, 1455, 1454, 1453, 1452, 1451, 1450, 1449, 1448, 1447, 1446, 1445, 1444, 1443, 1442, 1441, 1440, 1439, 1438, 1437, 1436, 1435, 1434, 1433, 1432, 1431, 1430, 1429, 1428, 1427, 1426, 1425, 1424, 1423, 1422, 1421, 1420, 1419, 1418, 1417, 1416, 1415, 1414, 1413, 1412, 1411, 1410, 1409, 1408, 1407, 1406, 1405, 1404, 1403, 1402, 1401, 1400, 1399, 1398, 1397, 1396, 1395, 1394, 1393, 1392, 1391, 1390, 1389, 1388, 1387, 1386, 1385, 1384, 1383, 1382, 1381, 1380, 1379, 1378, 1377, 1376, 1375, 1374, 1373, 1372, 1371, 1370, 1369, 1368, 1367, 1366, 1365, 1364, 1363, 1362, 1361, 1360, 1359, 1358, 1357, 1356, 1355, 1354, 1353, 1352, 1351, 1350, 1349, 1348, 1347, 1346, 1345, 1344, 1343, 1342, 1341, 1340, 1339, 1338, 1337, 1336, 1335, 1334, 1333, 1332, 1331, 1330, 1329, 1328, 1327, 1326, 1325, 1324, 1323, 1322, 1321, 1320, 1319, 1318, 1317, 1316, 1315, 1314, 1313, 1312, 1311, 1310, 1309, 1308, 1307, 1306, 1305, 1304, 1303, 1302, 1301, 1300, 1299, 1298, 1297, 1296, 1295, 1294, 1293, 1292, 1291, 1290, 1289, 1288, 1287, 1286, 1285, 1284, 1283, 1282, 1281, 1280, 1279, 1278, 1277, 1276, 1275, 1274, 1273, 1272, 1271, 1270, 1269, 1268, 1267, 1266, 1265, 1264, 1263, 1262, 1261, 1260, 1259, 1258, 1257, 1256, 1255, 1254, 1253, 1252, 1251, 1250, 1249, 1248, 1247, 1246, 1245, 1244, 1243, 1242, 1241, 1240, 1239, 1238, 1237, 1236, 1235, 1234, 1233, 1232, 1231, 1230, 1229, 1228, 1227, 1226, 1225, 1224, 1223, 1222, 1221, 1220, 1219, 1218, 1217, 1216, 1215, 1214, 1213, 1212, 1211, 1210, 1209, 1208, 1207, 1206, 1205, 1204, 1203, 1202, 1201, 1200, 1199, 1198, 1197, 1196, 1195, 1194, 1193, 1192, 1191, 1190, 1189, 1188, 1187, 1186, 1185, 1184, 1183, 1182, 1181, 1180, 1179, 1178, 1177, 1176, 1175, 1174, 1173, 1172, 1171, 1170, 1169, 1168, 1167, 1166, 1165, 1164, 1163, 1162, 1161, 1160, 1159, 1158, 1157, 1156, 1155, 1154, 1153, 1152, 1151, 1150, 1149, 1148, 1147, 1146, 1145, 1144, 1143, 1142, 1141, 1140, 1139, 1138, 1137, 1136, 1135, 1134, 1133, 1132, 1131, 1130, 1129, 1128, 1127, 1126, 1125, 1124, 1123, 1122, 1121, 1120, 1119, 1118, 1117, 1116, 1115, 1114, 1113, 1112, 1111, 1110, 1109, 1108, 1107, 1106, 1105, 1104, 1103, 1102, 1101, 1100, 1099, 1098, 1097, 1096, 1095, 1094, 1093, 1092, 1091, 1090, 1089, 1088, 1087, 1086, 1085, 1084, 1083, 1082, 1081, 1080, 1079, 1078, 1077, 1076, 1075, 1074, 1073, 1072, 1071, 1070, 1069, 1068, 1067, 1066, 1065, 1064, 1063, 1062, 1061, 1060, 1059, 1058, 1057, 1056, 1055, 1054, 1053, 1052, 1051, 1050, 1049, 1048, 1047, 1046, 1045, 1044,

RANCO DE BILBAO

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

Bifurcated Engineering
RIVETING SYSTEMS • PARTS FEEDING & ASSEMBLY SYSTEMS • OTHER AIDS TO INCREASED PRODUCTIVITY
"The Guide to the BFG Group"
Bifurcated Engineering Ltd.
P.O. Box 2, Mandeville Rd, Aylesbury, Bucks HP21 8AB Tel: Aylesbury (0296) 5911

BRITISH FUNDS

1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

West German Minister quits over kidnap

BY JONATHAN CARR

BONN, June 6.

HERR WERNER MAIHOFFER, the West German interior minister, resigned today—taking responsibility for errors in the hunt last year for the industrialist, Dr. Hann-Martin Schlöyer, and the terrorists who kidnapped and subsequently murdered him.

Herr Maihofer's action comes two days after a severe setback for his liberal Free Democratic Party in provincial elections, a blow to which Herr Maihofer's accumulated misfortunes in office are felt to have contributed.

Chancellor Helmut Schmidt today praised Herr Maihofer for his fairness, humanity, and for taking responsibility in a matter where others were involved in error. A report released last week-end, on the hunt for Dr. Schlöyer, criticised by implication not only Herr Maihofer but also a provincial Interior Minister and the Federal Criminal Bureau.

However, Herr Maihofer, aged 58, has been steadily losing support both within his own party and in his partner in the Federal Coalition Government, the Social Democrats.

Ten Left-wing members of the SPD recently called on him to step down because members of the Federal Border Protection Force, which comes under his responsibility, had been taking the names of those at airports found in possession of "Left-wing" literature.

A year earlier Herr Maihofer was also at the centre of an involving the bugging of the

home of an atomic scientist suspected of having contact with terrorists.

These affairs have eroded the widespread respect in which he was held when he took over the Interior Ministry in May, 1974. He is the third Minister in West German history to resign widely regarded as one of the most backbreaking and heart-breaking in Bonn. Its responsibilities range from sport and environmental protection to nuclear reactor safety and the war on terrorism.

Distinction

Herr Maihofer, earlier a law professor at the universities of Saarbrücken and Bielefeld, was long seen as a father of modern German liberalism. He provided much of the intellectual distinction in a programme giving the FDP a clear identity instead of a somewhat vague outline as coalition partner for Social or Christian Democrats.

As Minister for Special Tasks in the cabinet of the former Chancellor, Herr Willy Brandt, he also played a key role in the search for a coalition compromise on worker co-determination in German industry.

No successor to Herr Maihofer has so far been named. As a small party, collecting only 7.9 per cent of the vote at the last election, the FDP has distinct problems in finding new Cabinet-quality personnel.

Tax relief for self-employed who work abroad

By John Hunt, Parliamentary Correspondent

THE GOVERNMENT last night agreed to a Conservative amendment to the Finance Bill increasing tax relief for self-employed people who spent part of their time working abroad.

The Budget proposed that self-employed who work overseas for at least 60 days in the year can, for tax purposes, deduct 25 per cent of the profits from the trade attributable to the number of days worked abroad in the year of assessment.

As a result of last night's surprise move in the Finance Bill committee, the qualifying period is to be halved. This brings the self-employed into line with employed people who were given a similar 30-day concession in last year's Finance Bill.

The Government concession was seen as another example of the influence of Mr. Harold Lever, Chancellor of the Duchy of Lancaster, in his campaign to persuade the self-employed that the Labour Government is not hostile to them.

Announcing the concession, Mr. Robert Sheldon, Financial Secretary to the Treasury, told the committee: "This will be well received as evidence of the efforts of the self-employed and those who contribute so much to our international involvement in trade."

Parliament, Page 10

Owen demands decision on MPs' salaries

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT
LUXEMBOURG, June 6.

DR. DAVID OWEN, the Foreign Secretary, called today for an early decision on the EEC Council of Ministers on the level of salaries to be paid to members of the future directly-elected European Parliament.

He suggested that the issue should be tackled in earnest when Foreign Ministers of the Nine meet later this summer to confirm the date for the first set of direct elections, provisionally scheduled to take place between June 7-10 next year.

Allowances

Dr. Owen coupled his demand with a strong warning that there was no question of fixing European MPs' salaries at a level near the top end of the range of salaries paid to members of national parliaments of the Nine. German MPs are the best paid in the EEC, receiving a basic salary of DM\$4,000 (about £21,000) a year, plus office and staff allowances. British MPs are close to the bottom of the list, earning a basic salary of £5,270 a year, with an allowance of £2,534 if they represent an out-of-London constituency, and a secretarial allowance of up to £3,687.

Dr. Owen warned that any move to fix European MPs' salaries much above the national level in Britain would cause resentment in Westminster and could unleash strong wage inflation pressures throughout the UK public sector.

He favoured paying European MPs a salary close to the British level and topping this up with allowances to cover their living and working expenses outside the UK. They should pay tax to the British Government, unlike European Commission, who are taxed at a modest rate by the EEC.

Continued from Page 1
BTR move into U.S.

emerged on Sunday evening. BTR said last night that the agreement it had reached was not conditional on the outcome of its planned offer for the rest of the shares. It is, however, subject to certain technical conditions.

The U.S. directors will recommend formal acceptance of the BTR offer to a board meeting tomorrow, but the final outcome of the take-over is still in the balance.

THE LEX COLUMN Gilt-edged await an initiative

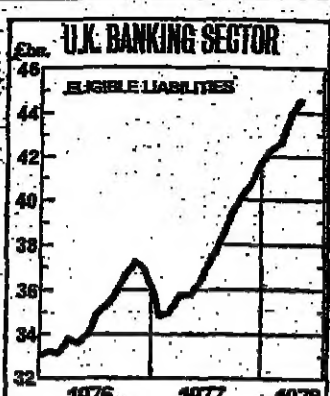
The eligible liabilities of the banking sector rose, roughly as the market has been expecting, by some 1.4 per cent in the May banking month. There is, moreover, strong evidence that the recently more buoyant trend of bank lending to the private sector has been extended, with a rise of £307m in sterling advances by the clearing banks, in a month which seasonally would be expected to show a fall.

As always, it is dangerous to draw a direct parallel between the cleaners and the banking sector as a whole, for often the non-clearers show a quite different pattern while money market factors also play an important role (this month, for instance, the cleaners' holdings of commercial bills, an alternative form of lending, fell back). But it seems likely that the money supply, on the stacking M3 measure, will show a rise at least of the order of 1 per cent, compared with an official target equivalent to 0.8 per cent. And this will happen despite the impact of the substantial support for sterling towards the end of calendar April, implying a large element of external finance in banking May. Hardly any gilt-edged have been sold in recent weeks, and domestic credit expansion is bound to be running at an excessively high rate.

The figures will confirm the gilt-edged market in the view that some initiative will have to be taken by the authorities to get the funding programme under way again. There is much talk of the reimposition of the banking "corset" which would at least give the City the impression that the monetary targets are being taken seriously. There is an increasing build-up of institutional liquidity which on the right signal would be moved heavily into the taps at around current yield levels. Conversely, if there is no official reaction the gilt-edged market will take another turn for the worse.

Why the City has taken the corset so close to its heart is, however, a bit of a mystery. It is a largely cosmetic device designed to make the figures look better, but it appears that the gilt-edged market is merely opting for the best it can realistically hope for in the pre-tax political climate. Quite apart from the electioneering aspects of current economic management, the Treasury will be unwilling to embark upon

Index rose 3.2 to 477.7



now because it has enough profits to stand it. In other words, it may go back to the old ways at some future time if more sensible accounting methods have not been agreed for property companies in the meantime. Incidentally, the company is easing in the change over two years. For 1978, development interest goes in below the line, next year it will be pre-tax.

At 215p the shares look fairly valued at a lower than average discount—29 per cent on the March valuation—while the yield is in line with the sector at 3.7 per cent.

De La Rue

The momentum of De La Rue's profits growth has slowed down in the second half of 1977-78—a period which took in some exceptionally profitable contracts 13 months earlier. But the year's outcome is still up to best hopes at £28.3m, pro-tax against a comparable £23.1m, in some exceptionally profitable contracts 13 months earlier. But the year's outcome is still up to best hopes at £28.3m, pro-tax against a comparable £23.1m, in some exceptionally profitable contracts 13 months earlier.

Two-fifths of the group's sales and half its profits now come from banknotes, where De La Rue claims to control around three-quarters of an available international market worth roughly £60m. Profitability is varying from year to year depending on the timing of contracts but the underlying trend appears attractive—a 10 per cent growth of perhaps 10 per cent a year—and heavy investment in new capacity is under way.

Elsewhere the Grosf businesses are at last justifying their acquisition four years ago when profits have quadrupled to £2.5m. De La Rue has steadily widened its range of products for the colour printing industry, and sees this as growth area.

The overall return on capital is around a third before interest, and would have been higher before last autumn's rights issue. Questions about the need for funding are reinforced by the news that spending is being comfortably covered by cash flow, and that the group now has net cash of £18m and no long-term gearing.

Yet the shares have now recovered all the lost ground, and rose another 6p to 333p yesterday. The yield of 4.6 per cent is well covered by both historic cost and Hyde-style earnings, but the shares may need a little time to consolidate their recent strength.

Land Securities

Land Securities' annual property revaluations are eagerly awaited in the property sector. So yesterday's news that the company's properties had appreciated by no less than 21.8 per cent in the year to end March—giving it a portfolio valued at almost £1bn—will have come as a welcome relief.

The other feature of yesterday's preliminary statement which may send a slight shiver through the sector is Land Securities' decision to abandon the practice of capitalising development interest and other expenses through a transfer from capital reserve. (This is one of the more popular methods by which property companies succeed in getting tax relief on these development charges). Land Securities makes no secret of the fact that it is only leaving development interest in the p and i account

Rothmans increases cigarette prices

BY STUART ALEXANDER, INDUSTRIAL STAFF

PRICE INCREASES on most cigarettes produced by Carreras Rothmans, which now claims more than 14 per cent of the UK market, were announced yesterday.

The move comes as British-American Tobacco is offering heavy discounts on its State Express 355 brand in its efforts to break into the UK market.

State Express can be bought for as little as 43p for 20 compared with the recommended retail price of 55p.

Many other king size brands are also available at reduced prices through the other major companies. Imperial Tobacco's W.D. & H.O. Wills and John Player, and Gallaher, are being less active during the BAT launch.

Rothmans is to put up a pack immediately onto its headlily King Size and Dunhill King Size, which will be sold at 54p and 59p but will still be cheaper than the recommended price of most competitors.

Increases of 2p a pack will follow in July on most other

Rothmans brands, except Rothmans King Size and Consulate No. 2, which went up in March. The move was described by Mr. Kirkland Blair, managing director of Carreras Rothmans, as essential for more realistic profit margins and a step towards less "wheeling and dealing" in the tobacco trade.

"Most brands in the market place are underpriced, mainly because manufacturers have been frightened to make price increases in such a competitive market," said Mr. Blair.

"We now look to other manufacturers to follow our lead in providing a more realistic level of prices, a reduction in the wheeling and dealing which takes place at the moment, and significantly increased trade margins," he said.

No comments were made by the other manufacturers yesterday but Gallaher, which makes Benson and Hedges and Silk Cut, said it had always been against price-cutting. Imperial said it would be happy to see the market settle down.

News Analysis Page 7

Moser leaving Whitehall for new career in City

BY PETER RIDDELL

SIR CLAUD MOSER, director of the Central Statistical Office, is to leave Whitehall for the City later this year, four years before he was due to retire. He will become vice-chairman of N. M. Rothschild and Sons, the merchant bank, and a director of the Economist newspaper.

Sir Claus, 56, is the latest in a long line of senior civil servants who have gone into banking, either after the Whitehall retirement age or in their mid-50s. The most recent examples have been Sir Ronald Macintosh, former director of the National Economic Development Office, who went to Warburg, and Sir Derek Mitchell of the Treasury to Guinness Mahon.

Unlike Sir Derek, Sir Claus is leaving on good terms with the Prime Minister and the Government. He commented yesterday that he was moving into the City while still young enough for a new career and to avoid "running out of steam" in his present position.

Sir Claus has headed both



Sir Claus Moser

the Central Statistical Office and the Government Statistical Office for the past 11 years, and is widely credited with the key role in expanding their activities and the range of their publications.

He was approached about both his new post a few months ago by Mr. Evelyn de Rothschild, who is both a vice-chairman of the bank and chairman of the Economist.

Sir Claus said he had always believed it was desirable for public servants to move into the private sector. At Rothschild's he is likely to be particularly involved with the corporate finance side, while at the Economist he will become chairman of the Economist Intelligence Unit in succession to Mr. Ian Trafford.

Sir Claus will retain his close involvement with the musical world, notably as chairman, as for the last four years, of the board of the Royal Opera House, Covent Garden.

He will be succeeded on August 1 at the Central Statistical Office by Mr. A. J. Boreham, at 52, present deputy director. The head of the CSO, which is within the Cabinet Office, is a Second Permanent Secretary.

N. M. Rothschild announced yesterday that Mr. Iver Kennington, a director who was closely involved with the rescue of Slater Walker, had been appointed a vice-chairman of the bank.

Men and Matters Page 22

British Shipbuilders win £14m order for two new vessels

BY IAN HARGREAVES

PIRAEUS, June 6.

BRITISH SHIPBUILDERS today unveiled a series of new standard ship designs by announcing a £14m order for two new vessels. The contracts, from an unnamed Greek owner based in the UK, are for two SD18 multi-purpose cargo ships which will be built at the Austin and Pickersgill shipyard, Sunderland, for delivery in the mid-1980s.

The design is a slightly larger version of the highly successful SD14, the 10,000-ton which will be launched on Wearside in the next few weeks. An 18,000 deadweight ton vessel, it has a relatively shallow draft capable of serving the Suez Canal, St. Lawrence Seaway trade.

The new order is the first won by Austin and Pickersgill since it became part of the State-owned British Shipbuilders, a shipbuilding intervention fund. This gives backing to the often repeated claim of Mr. Derek Kimber, Austin and Pickersgill's chief executive, that because of his yard's highly automated series production techniques, it is still able to compete on prices with its international rivals.

The contract price for the ships is, however, unlikely to include much, if any, margin for profit. An attractive credit package

will no doubt be arranged for the Greek owner, but British Shipbuilders' officials stressed that this would be within the terms laid down by the Organisation for Economic Co-operation and Development.

Mr. John Parker, head of marketing with British Shipbuilders, said that recent improvements in the grain markets had improved confidence among shipowners and consequently lifted the level of inquiry for new ships.

"I am certain that we have produced these new ship designs at just the right time. In the next 12 months, the Greek shipowners will again start to order ships," he said.

The other new designs unveiled yesterday are an SD9, 9,000 deadweight ton multi-purpose cargo vessel, also from Austin and Pickersgill, a mark two version of the Clyde 19 cargo liner from Govan and a 265,000 cubic ft refrigerated cargo ship from Smith's dock of Middlesbrough.

Mr. Gerald Kaufman, the UK Industry Minister who is in Athens for the Posidonia Shipping Exhibition and for talks with the Greek Government, also announced an agreement yesterday which he claims will help Britain to sell ships to the Greeks.

He said that Mr. Emmanouel Rafailoyannis, the Minister of Merchant Marine, had agreed that in future the Greek Government would pass to Britain early market intelligence of the Greek

merchant fleet's new building requirements.

It is unlikely that this will have dramatic results as Greek owners are renowned for their resistance to disclosing information to the authorities, but Mr. Kaufman said the arrangement would have special value when Greek State agencies, such as the National Railway, came to order new ferries.

Application

Mr. Kaufman reaffirmed the Government's intention of giving maximum support for British Shipbuilders' marketing efforts through the intervention fund. He said that at present there was only one application on his desk for a slice of the £7m remaining in the fund and that this was from a British owner.

This is thought to refer to an order for ferries placed with Harland and Wolff.

Mr. Anthony Chandra, president of the Union of Greek Shipowners, today renewed his attack upon the decision by the London Insurance market to place a heavier weighting on hulls of more than 15 years.

This measure, effective next month, will particularly affect the Greeks because the age profile of their fleet is much older than the average. According to last year's figures, 57 per cent of Greek registered ships were aged over 10 years and 18 per cent over 20 years.

World Shipping News Page 6

Weather

U.K. TODAY

RATHER CLOUDY, bright early in E., some rain spreading from W.

London, S.E., E. Anglia
Bright at first, rain in places later. Max. 18C (65F).

Cent. S. England, Midlands,
Channel Is.
Cloudy, rain, sunny intervals. Max. 18C (64F).

S.W. England, S. Wales
Cloudy, rain or drizzle, fog patches. Max. 18C (64F).

W. Wales, N. Wales, N. Ireland
Rain, brighter later. Max. 15C (59F).

Orkney, Shetland
Dry at first, rain later. Max. 13C (55F).

Outlook: Rain, sunny intervals, cooler.

The pollen count was 21, higher than on Monday but still low.

HOLIDAY RESORTS

	Y'day	Today	Y'day	Today	
Alexandria	25	27	Luxemburg	25	27
Amman	25	27	Madrid	25	27
Algiers	25	27	Marseille	25	27
Bahia	25	27	Montpellier	25	27
Bat	25	27	Nice	25	27
Beirut	25	27	Paris	25	27
Belfast	25	27	Perth	25	27
Bombay	25	27	Porto	25	27
Buenos Aires	25	27	Prague	25	27
Calcutta	25	27	Rangoon	25	27
Cairo	25	27	Reykjavik	25	27
Cardiff	25	27	Rio de J'o	25	27
Chennai	25	27	Rome	25	27
Colombo	25	27	Sao Paulo	25	27
Copenhagen	25	27	Seoul	25	27
Dublin	25	27	Stockholm	25	27
Edinburgh	25	27	Sydney	25	27
Geneva	25	27	Taipei	25	27
Hong Kong	25	27	Tokyo	25	27
Imbros	25	27	Valencia	25	27
Jakarta	25	27	Vancouver	25	27
London	25	27	Warsaw	25	27
Lyons	25	27	Zurich	25	27
Madrid	25	27			